DOCUMENT RESUME

ED 299 354 UD 026 408

TITLE	Children and Families in Poverty: The Struggle to Survive. Hearing before the Select Committee on Children, Youth, and Families. House of Representatives, One Hundredth Congress, Second Session.
INSTITUTION	Congress of the U.S., Washington, DC. House Select Committee on Children, Youth, and Families.
PUB DATE	25 Feb 88
NOTE	240p.
AVAILABLE FROM	Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.
PUB TYPE	Legal/Legislative/Regulatory Materials (090)
EDRS PRICE	MF01/PC10 Plus Postage.
DESCRIPTORS	Advocacy; Day Care; *Economically Disadvantaged; *Family (Sociological Unit); Family Income; Federal Programs; Government Role; Health Needs; *Homeless People; *Housing Needs; Individual Needs; Low Income Groups; Low Rent Housing; Policy Formation; *Poverty; Program Development; Selective Admission; Social Services; Welfare Services; *Youth
IDENTIFIERS	Access to Health Care; *Shelters; Social Entitlements

ABSTRACT

This document comprises the testimonies presented at this hearing and related documents. A new study on trends in family income in the United States from 1970 to 1986, prepared in the Congressional Budget Office, is included, as is a fact sheet on children and families in poverty. Millions of children and families have been left out of the so-called "economic recovery": despite many months of economic expansion, almost 13 million children remain in poverty. The testimonies of the following people are included: (1) Madgelean Bush, executive director, Martin Luther King, Jr., Community Center; (2) Yvonne V. Delk, executive director, Office for Church in Society, United Church of Christ; (3) Robert Greenstein, director, Center on Budget and Policy Priorities; (4) Jonathan Kozol, author; (5) Matthew E. Melmed, executive director, Connecticut Association for Human Services; (6) Robert P. Sheehan, President, Boys and Girls Home and Family Services; (7) Chenay Costen-Boyce, board member, Rural Day Care Association of Northeast North Carolina, Inc.; and (8) homeless parents and students. Also included are the prepared statements, letters, and other supplemental materials presented by the speakers and other interested parties. Tables illustrate data, and lists of references accompanies some of the materials. (BJV)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

10-8-88

CHILDREN AND FAMILIES IN POVERTY: THE STRUGGLE TO SURVIVE

ED299354

HEARING

BEFORE THE

SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

SECOND SESSION

HEARING HELD IN WASHINGTON, DC, FEBRUARY 25, 1988

Printed for the use of the
Select Committee on Children, Youth, and Families

BEST COPY AVAILABLE

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1988

84-794

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, DC 20402

UD026408
UD 026 408

SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES

GEORGE MILLER, California, *Chairman*

WILLIAM LEHMAN, Florida
PATRICIA SCHROEDER, Colorado
LINDY (MRS. HALE) BOGGS, Louisiana
MATTHEW F. McHUGH, New York
TED WEISS, New York
BERYL ANTHONY, JR., Arkansas
BARBARA BOXER, California
SANDER M. LEVIN, Michigan
BRUCE A. MORRISON, Connecticut
J. ROY ROWLAND, Georgia
GERRY SIKORSKI, Minnesota
ALAN WHEAT, Missouri
MATTHEW G. MARTINEZ, California
LANE EVANS, Illinois
RICHARD J. DURBIN, Illinois
THOMAS C. SAWYER, Ohio
DAVID E. SKAGGS, Colorado

DAN COATS, Indiana
THOMAS J. BLILEY, JR., Virginia
FRANK R. WOLF, Virginia
NANCY L. JOHNSON, Connecticut
BARBARA F. VUCANOVICH, Nevada
JACK F. KEMP, New York
GEORGE C. WORTLEY, New York
RON PACKARD, California
BEAU BOULTER, Texas
J. DENNIS HASTERT, Illinois
CLYDE C. HOLLOWAY, Louisiana
FRED GRANDY, Iowa

COMMITTEE STAFF

ANN ROSEWATER, *Staff Director*
MARK SOUDER, *Minority Staff Director*
CAROL M. STATUTO, *Minority Deputy Staff Director*

CONTENTS

	Page
Hearing held in Washington, DC, on February 25, 1988	1
Statement of:	
Bush, Madgelean, executive director, Martin Luther King, Jr., Community Center, Houston, TX	139
Costen-Boyce, Chenay, advisory board member, Rural Day Care Association of Northeast North Carolina, Inc.; and member, Board of Directors, Rural Economic Development Center, Inc., Sunbury, NC	149
Delk, Rev. Yvonne V., executive director, Office for Church in Society, United Church of Christ; and Chairperson, National Planning Committee on Children in Poverty, New York	107
Dugar, Nathaniel, pastor, The Way of the Cross Church, Washington, DC	114
Fields, Celeste, parent, New York City, NY	22
Fields, Richard, New York City, NY	24
Greenstein, Robert, director, Center on Budget and Policy Priorities, Washington, DC	31
Hudson, Lynn, parent, Tyner, KY	18
Kozol, Jonathan, educator and author of "Rachel and Her Children," Byfield, MA	26
Melmed, Matthew E., executive director, Connecticut Association for Human Services, Hartford, CT	128
Sheehan, Robert P., president and chief executive officer, Boys and Girls Home and Family Services, Sioux City, IA	145
Smeeding, Timothy M., director, Center for the Study of Families, Children, and the Elderly, Vanderbilt Institute for Public Policy Studies; professor of public policy and economics, Vanderbilt University, Nashville, TN	79
Smith, Allen R., parent, Houston, TX	103
Prepared statements, letters, supplemental materials, et cetera:	
Bagby, Jane W., assistant director, The Appalachian Center, of the University of Kentucky, Lexington, KY, letter to Hon. George Miller dated March 9, 1988	166
Brown, Betty, Arlington, MA, prepared statement of	208
Bush, Madgelean, executive director, Martin Luther King, Jr., Community Center, Houston, TX, prepared statement of	141
Coats, Hon. Dan, a Representative in Congress from the State of Indiana, and ranking minority member, Select Committee on Children, Youth, and Families, opening statement of	15
Corey, Linda J., Poultney, VT, prepared statement of	206
Costen-Boyce, Chenay, Rural Economic Development Center, Inc., Sunbury, NC, prepared statement of	152
Delk, Rev. Yvonne V., executive director, Office for Church in Society, United Church of Christ and Chairperson, National Planning Committee on Children in Poverty, prepared statement of	110
Drake, Joanne, Boston, MA, prepared statement of	198
Dugar, Nathaniel, pastor, The Way of the Cross Church, Washington, DC: Prepared statement of	117
Fields, Celeste, parent New York City, NY, prepared statement of	23
Fields, Richard, New York City, NY, prepared statement of	25
Free, Terry Lynn, Head Start/ECEAP, Bellingham, WA:	
Prepared statement of	171
Letter to Hon. George Miller, dated March 11, 1988	170

Page

Prepared statements, letters, supplemental materials, et cetera—Continued
Greenstein, Robert, director, Center on Budget and Policy Priorities, Washington, DC:
Impact of Government Benefit Programs Declines, adds to number of poor families, article entitled 44
Prepared statement of 36
Harris, Margaret, Tyner, KY, prepared statement of 187
Horn, Brenda, McKee, KY, prepared statement of 187
Hudson, Lynn, parent, Tyner, KY, prepared statement of 20
Jensen, Geraldine, national president, The Association for Children for Enforcement of Support, Inc., Toledo, OH, prepared statement of 177
Kozol, Jonathan, educator and author of "Rachel and Her Children", Byfield, MA, prepared statement of 28
Lahti, Michele, National Association of Social Workers, Massachusetts Chapter, Boston, MA, prepared statement of 175
Martin, Judy, McKee, KY, prepared statement of 183
Melmed, Matthew E., executive director, Connecticut Association for Human Services, prepared statement of 132
Miller, Hon. George, a Representative in Congress from the State of California and chairman, Select Committee on Children, Youth, and Families:
"Children and Families in Poverty" (a fact sheet) 11
Opening statement of 3
Staff Analysis of Key Findings from the CBO report: "Trends In Family Income: 1970–1986" 4
Romo, Margarita, director, Farmworkers Self-Help Inc., Dade City, FL, prepared statement of 191
Sheehan, Robert, president and chief executive officer, Boys and Girls Home and Family Services, Sioux City, IA, prepared statement of 147
Smeeding, Timothy M., director, Center for the Study of Families, Children, and the Elderly, Vanderbilt Institute for Public Policy Studies, and professor of public policy and economics, Vanderbilt University, prepared statement of 82
Smith, Allen R., parent, Houston, TX, prepared statement of 105
Smith, Mattie M., Atlanta, GA, prepared statement of 207
Steckler, Carol, Catholic Community Services, Everett, WA, prepared statement of 188
Tennant, Peg, Des Moines, IA, prepared statement of 210
Williams, Edna Fairbanks, Low Income Advocacy Council, United Church of Christ Dept. of Mission, Fairhaven, VT, prepared statement of 203
Wortley, George C., a Representative in Congress from the State of New York, prepared statement of 165
"Who Speaks For the Children", prepared by the Iowa Inter-Church Agency for Peace and Justice, Des Moines, IA, prepared statement of 215

CHILDREN AND FAMILIES IN POVERTY: THE STRUGGLE TO SURVIVE

THURSDAY, FEBRUARY 25, 1988

U.S. HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES,
Washington, DC.

The select committee met, pursuant to call, at 9:00 a.m., room 2203, Rayburn House Office Building, Hon. George Miller (chairman of the committee) presiding.

Members present: Representatives Miller, Lehman, Boggs, Weiss, Morrison, Rowland, Martinez, Evans, Skaggs, Coats, Wolf, Wortley, Packard, and Grandy.

Also present was Representative Bill Green.

Staff present: Ann Rosewater, staff director; Jill Kagan, professional staff; and Joan Godley, committee clerk.

Chairman MILLER. Select Committee on Children, Youth, and Families will come to order for the purposes of conducting the hearing this morning on Children And Families In Poverty: The Struggle To Survive.

For millions of families in America today, poverty—not prosperity—remains a tragic fact of life.

Since 1983, the Select Committee on Children, Youth, and Families has documented that millions of children and families have been left out of the so-called "economic recovery."

In 1986, despite many months of economic expansion, almost 13 million children remained in poverty, nearly three million more than in 1979. Children living in single-parent families are at the greatest risk of living in poverty and the experts now tell us that one out of two children will spend some portion of their childhood in a single-parent family, yet the greatest relative increase in child poverty has been among children living in two-parent families.

Today, we will hear the results of a new study of child and family poverty rates among eight western industrialized nations, including our own. It should be a source of despair for every American, that despite the promise of economic security for all, the United States has higher child and family poverty rates than every one of the countries studied except Australia, even when income transfer benefits are included.

We're also releasing this morning a major new study on trends in family income in the United States prepared at my request by the Congressional Budget Office. The new report, "Trends In Family Income: 1970–1986," contains both good news and bad news. The good news is that family income rose for the typical family

C

during that period, based on CBO's new method of measuring income trends. CBO found that "adjusted family income" rose 20 percent from 1970 to 1986. Even among those families whose income rose, CBO found that the principal reason, among nonelderly families, was the increased number of workers per family, not increased earnings by the typical worker. In many families, both parents must now work to maintain their standard of living, which results in increased costs as well as increased income, such as child care and commuting.

But, there is also bad news. Many of the most vulnerable families, and those in which many of our children are growing up, did not share in the prosperity. In fact, young families, low-income families with children, and poor single parent families in 1986 were much poorer than their counterparts in 1970. Income inequality became more pronounced among all major family types, except unrelated individuals under age 65 and the elderly, and income gaps widened between the rich and those who are less affluent. The sharpest increases in inequality have occurred since 1979, even among the elderly. Among those affected most adversely were poor families with children. The CBO report notes that "the group of families with children that is at the bottom of the income distribution is markedly worse off now than the corresponding group was 16 years earlier." Among the poorest two-fifths of the families with children, median income dropped 12 percent from 1970 to 1986.

Poor single-mother families with children were hit especially hard. In 1986, one-fifth of all of the single mother families had incomes less than half of the poverty line, and approximately 45 percent had incomes below the poverty line.

Young families have been affected very dramatically, too. More than 40 percent of the families with children in which a family head was under 25 lived below the poverty line—and over one-fifth had incomes less than half of the poverty line in 1986. For these families, median family income fell 43 percent between 1970 and 1986. In fact, even among the top two-fifths of these families, median income fell 21 percent.

Today we will also receive testimony from real experts on poverty: and that is, of course, the children and the families who endure privation, day in and day out, year after year, despite national economic recovery and efforts to help them. And we will also hear from those from both rural and urban communities who work with the families to break the terrible and degrading cycle of poverty in America.

I also want to pay tribute to those who are here today under the auspices of the National Planning Committee on Children in Poverty, who are attending a national conference in Washington this week.

OPENING STATEMENT OF HON. GEORGE MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND CHAIRMAN, SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES

For millions of families in America today, poverty—not prosperity—remains a tragic fact of life.

Since 1983, the Select Committee on Children, Youth, and Families has documented that millions of children and families have been left out of the so-called "economic recovery."

In 1986, despite many months of economic expansion, almost 13 million children remained in poverty, nearly 3 million more than in 1979. Children living in single-parent families are at greatest risk of living in poverty, and the experts now tell us that one out of two children will spend some portion of childhood in a single-parent family. Yet the greatest relative increase in child poverty has been among children living in two-parent families.

Today, we will hear the results of a new study of child and family poverty rates among 8 western industrialized nations, including our own. It should be a source of despair for every American that, despite the promise of economic security for all, the Unites States has higher child and family poverty rates than every one of the countries studied, except Australia, even when income transfer benefits are included.

We are also releasing a major new study on trends in family income in the United States, prepared at my request by the Congressional Budget Office (CBO). The new report, "Trends In Family Income: 1970-1986," contains both good news and bad news. The good news is that family income rose for the typical family during that period, based on CBO's new method for measuring income trends. CBO found that "adjusted family income" rose 20 percent from 1970 to 1986. Even among those families for whom incomes rose, CBO found that the principal reason, among the non-elderly, was the increased number of workers per family, not increased earnings by the typical worker. In many families, both parents now must work to maintain the standard of living, which results in increased costs as well as increased income, such as child care and commuting.

But there is also bad news. Many of the most vulnerable families, and those in which many of our children are growing up, did not share in the prosperity. In fact, young families, low-income families with children, and poor single parent families in 1986 were much poorer than their counterparts in 1970. Income inequality became more pronounced among all major family types except unrelated individuals under age 65 and the elderly, and income gaps widened between the rich and those who are less affluent. The sharpest increases in inequality have occurred since 1979, even among the elderly. Among those affected most adversely were poor families with children. The CBO report notes that "the group of families with children that is at the bottom of the income distribution is markedly worse off now than the corresponding group was 16 years earlier." Among the poorest two-fifths of families with children, median income dropped 12 percent from 1970 to 1986.

Poor single-mother families with children were hit especially hard. In 1986, one-fifth of all single mother families had incomes less than half of the poverty line, and approximately 45 percent had incomes below the poverty line.

Young families have been affected very dramatically, too. More than 40 percent of families with children in which the family head was under 25 lived below the poverty line—and over one-fifth had incomes less than half the poverty line in 1986. For these families, median family income fell 43 percent between 1970-1986. In fact, even among the top two-fifths of these families, median income fell 21 percent.

Today we will also receive testimony from real experts on poverty: the children and families who endure privation, day in and day out, year after year, despite national economic recovery. And we will also hear from those from both rural and urban communities who work with the families to break the terrible and degrading cycle of poverty in America.

I also want to pay tribute to those who are here today under the auspices of the National Planning Committee on Children in Poverty, who are attending a national conference in Washington this week.

U.S. House of Representatives
SELECT COMMITTEE ON
CHILDREN, YOUTH, AND FAMILIES
385 House Office Building Annex 2
Washington, DC 20515

STAFF ANALYSIS OF KEY FINDINGS
FROM THE
CBO REPORT: "TRENDS IN FAMILY INCOME: 1970-1986"

The new Congressional Budget Office report, Trends in Family Income: 1970-1986, contains both good news and bad news. The good news is that under a revised way of measuring income trends developed by CBO, family income for the typical family rose during this period. Previous measures of changes in family income over the period have shown a decline.

The bad news is that these income gains were not evenly distributed. Low income families with children, young families at all income levels and poor single mother families in 1986 were much worse off than their counterparts in 1970. Among all major family types except nonelderly unrelated individuals and the elderly, income inequality increased and the gaps widened between the rich and those who are less affluent.

In addition, the news that family incomes rose is tempered by the finding that the principal reason for the gains among the non-elderly was the increased number of workers per family, not increased earnings by the typical worker. Many families with children have needed to have both parents work to avoid losing ground.

Trends in Family Income

The CBO report measures changes in family income over the 16 year period from 1970-1986. These measurements are made in a different manner than that traditionally employed in the past. There are three differences between the CBO measurements and traditional measurements:*

- o CBO adjusted family incomes to reflect a decline in the average size of families during this period. Since the average family was smaller in 1986 than in 1970, CBO concluded that the average family needed less income to remain at the same level of well-being. This adjustment for family size is the principal reason why the CBO measure shows income growth rather than the stagnation indicated by other measures.

*CBO notes that adjustments should also be made for income received in-kind and for taxes paid, since both factors changed markedly over the 16-year period and would thus affect the well-being of families. Because the requisite data are not available, CBO was unable to make these adjustments.

- In adjusting annual income levels for inflation, CBO did not use the Consumer Price Index (CPI), but used an alternative inflation index that CBO believes provides a more accurate measure of price changes. Because the alternative index rose more slowly during the 16-year period than did the CPI, measured income growth is greater than if the CPI were used.

- CBO modified the definition of "family" normally used in measuring family income changes. CBO counted unrelated individuals -- including elderly people living alone -- as "families". One-third of CBO's "family units" consist of unrelated individuals.

With all three adjustments, CBO finds that "adjusted family income" (AFI) for the median (or typical) "family" rose 20 percent from 1970 to 1986. This compares with an increase of six percent in median family income during this period among families as traditionally defined, without adjusting for family size and using the CPI to account for inflation.

The CBO data show differing trends in changes in AFI for median families in various family categories. For single mother families with children, median income rose just 2 percent under CBO's AFI measure. For both elderly unrelated individuals and elderly families without children, median family income rose 50 percent.

Increases in Workers Per Family Boosted Incomes

CBO observes that "the rise in the number of workers per family appears to be the principal reason why incomes increased." CBO states that earnings failed to keep pace with inflation for many workers, especially those in the younger age groups. This suggests that, for many families, adding a second earner to the workforce or increasing the second earner's work hours was often necessary to keep family income from falling. This also indicates that the increased incomes reported by CBO did not come without a cost. These altered work arrangements have resulted in parents (especially mothers) having less time with children, less leisure time, and possibly, fewer children.

Indeed, when the large influx of mothers into the labor force during this period is taken into account, it is striking that AFI did not rise more substantially. From 1973 to 1986, the median AFI for married couple families with children rose a relatively modest 13.1 percent, despite large increases in work by mothers and a reduction in family size as well (see further discussion of this 1973-1986 period, which is different than that used in the CBO report).

It should be noted that the CBO data do not include a major cost borne by many of these families as a result of the entrance of many mothers into the labor force -- child care costs. Child care costs are a corollary of the increase in workers per family that CBO identifies as the factor primarily responsible for the income gains. As CBO notes: "Families are likely to bear a cost, however, when more of their members work. In particular, there are direct costs associated with employment, such as for child care or for commuting. Furthermore, the new workers have less time available to perform household chores, so either costs rise -- if services are purchased -- or some chores are not done." (CBO did not incorporate these costs in the analysis, in part because data are not available to make such adjustments.)

The Families Left Behind

A number of family groups fell behind. As CBO states, "not all [family groups] experienced a growth in income". Some suffered large income declines.

1. Poor Families with Children

Among those affected most adversely were poor families with children. The CBO report states:

> Median family income has continued to grow since 1970, albeit more slowly than in earlier years and at widely different rates for different groups. At the same time, the group of families with children that is at the bottom of the income distribution is markedly worse off now than the corresponding group was 16 years earlier.

The CBO report shows that the median AFI of the poorest two-fifths of families with children in 1986 was 12 percent lower than that of the comparable group in 1970.*

Poor single mother families with children were hit especially hard. In 1986, one-fifth of all single mother families with children had incomes below half the adjusted

*The median income for the bottom two-fifths of families is the income received by the family at the 20th percentile. Similarly, the median income for the top two-fifths of families is the income received by the family at the 80th percentile.

poverty line (that is, below $3,974 for a family of three).** Approximately 40 percent of these families had incomes below the adjusted poverty line.

2. Young Families

The family group affected most severely was that of young families. In 1986, the median AFI of families whose head was under age 25 was 18 percent lower than that of the corresponding group in 1970. For the poorest two-fifths of families with a head under 25, median family income was 34 percent lower. Median family income even declined for the top two-fifths of all families with a head under 25.

The declines are most stunning among young families that had children (2.3 million in 1986). The median income of such families in 1986 was 43 percent below that for comparable families in 1970. Among the poorest two-fifths of these families, median income was 56 percent lower in 1986 than in 1970. Even among the top two-fifths of these families, median income fell 21 percent.

More than one-fifth of all families with children in which the family head was under 25 had incomes below half the poverty line in 1986. More than 40 percent of these families lived below the poverty line.

Low-income families with children in which the family head was 25 to 34 also had sharply lower median AFI in 1986 than their counterparts in 1970. Median income was fully 18 percent lower for the two-fifths of these families with the lowest incomes.

Median AFI also fell for both young married couple families and young single parent families. For example, median income of married couple families with children in which the family head was under 25 was 17 percent lower in 1986 than for similar families in 1970.

Median AFI was also lower for single mother families with children in which the mother is under 25. By 1986, nearly one-fifth of these families had incomes below one-fourth of the adjusted poverty line (that is, below $1,987 for a family of three). About two-fifths of these families fell below half of

**The adjusted poverty line is the same as the official poverty line except that CBO used the alternative inflation index to adjust for price changes since 1967.

the adjusted poverty line, and a large majority of these families were poor. Among single mother families with children in which the mother was 25-34, more than one-fifth lived below half of the adjusted poverty line and a majority were poor.

Increased Inequality

The CBO report shows that income inequality increased substantially between 1970 and 1986 among non-elderly families. For all types of non-elderly families except unrelated individuals, inequality rose over this period. The growth in inequality helps explain another CBO finding: despite general income growth since 1970, poverty rates of groups other than the elderly failed to decline appreciably.

- Among the poorest two-fifths of families with children, median adjusted income was 12 percent lower in 1986 than for comparable families in 1970. But, among the wealthiest two-fifths of families with children, median adjusted income was 27 percent higher.

- For the bottom two-fifths of all families (including the elderly), median AFI in 1986 was 9 percent higher than for similar families in 1970; among the top two-fifths of all families, it was 29 percent higher -- a gain about 3 times as large.

- Among the poorest two-fifths of families with a head under 25, median AFI in 1986 was 34 percent lower than for corresponding families in 1970; among the top two-fifths of these families, it was five percent lower.

The sharpest increases in inequality have occurred since 1979. CBO found that "for all major family types, inequality grew between 1979 and 1986. While high and low-income families had roughly comparable gains in income during most of the 1970's, the incomes of low income families rose only slightly or fell between 1979 and 1986, while incomes of wealthier families rose sharply." Even among the elderly, inequality grew in the 1980's.

- Median adjusted income for the bottom two-fifths of all families fell 2 percent from 1979 to 1986, while median adjusted income for the top two-fifths of all families rose 10 percent.

- Median adjusted income for the bottom two-fifths of families with children fell 14 percent from 1979 to 1986, while median AFI for the top two-fifths of these families increased 8 percent. This trend -- of lower AFI for poor families in 1986 compared with their counterparts in 1970 and rising AFI for wealthier families -- also holds for married couple families with children.

- In fact, for every major non-elderly family type, median adjusted income for the bottom two-fifths of families was lower in 1986 than for the comparable group in 1979. For most of these family types, the median adjusted income of wealthier families rose during this period.

Observations Concerning the CBO Findings

Several observations should be made concerning the income gains that CBO found over the 1970-1986 period. In analyses of stagnating family income in the U.S., the year 1973 (rather than 1970) has often been used as the starting point (see for example Frank Levy's recently published book Dollars and Dreams: The Changing American Income Distribution). 1973 has traditionally been regarded as the high point for income growth in the U.S. It was the year in which the conventional measure of median family income reached what is still its highest level. The CBO report shows that nearly half of the 20 percent increase in AFI occurred between 1970 and 1973. From 1973-1986, the increase for the median family was 11 percent.

In addition, 1970 was a recession year,albeit one in which the unemployment rate was not that high. There is growing concern that a recession could occur in the next few years. If, as many economists predict, a recession does occur in the near future, a significant amount of the income gain reported by CBO could disappear.

A further observation is that virtually all remaining income growth found by CBO (other than that in the 1970-1973 period) has occurred since 1982 when income growth was financed in significant part through large budget and trade deficits -- in essence, by borrowing from the future. When we repay these debts, living standards for American families may well fall back.

As Frank Levy states in Dollars and Dreams:

> ...the U.S. rate of investment is no higher today than it was in 1973, despite the [inflow of] foreign capital. Foreign funds have been used to offset government deficits and thus to finance extra U.S. consumption. This is a strategy for postponing stagnation's effects, but it involves borrowing from the future. Eventually the foreign funds must be paid back with interest. And because they were used to finance consumption, rather than additional investment, the repayment will require reducing our consumption below what it otherwise would have been.
>
> ...are we living as well today as we did in 1973? The answer is no. We appear to be doing better, but this is only because we have borrowed against the future in ways that eventually must be repaid. (emphasis added)

Moreover, CBO observes that the principal reason why its measurements show income increases (instead of the income stagnation or declines previously reported for this period) is its adjustment of family incomes for declining family size. Many analysts believe that the decline in family size is itself related, in part, to the slow economic growth that was occurring. Families postponed having children, or had fewer children, in part because they believed they could not afford as many children as families had in the past. This decline in birthrates contributes markedly to the rise that CBO found in AFI, but it may also mean that we will have fewer skilled workers than we will need in the future. Levy comments that "the decline in the birthrate was, in its way, a different kind of borrowing from the future" especially since the "decline is heavily concentrated among middle-income families".

CHILDREN AND FAMILIES IN POVERTY
A FACT SHEET

CHILDREN COMPRISE AMERICA'S POOREST AGE GROUP

* In 1986, 1 out of 5 American children lived in poverty compared to 1 out of 7 persons 65 years and older and 1 out of 10 persons aged 18-64. In 1986, 43.1% of black children and 37.7% of Hispanic children were poor compared to 16.1% of white children. (Census Bureau [Census], 1987)

* Young children suffer greater poverty rates. The 1986 poverty rate for children under 6 was 22.2% For black children under 6, it was 45.6%. For young Hispanic children, the poverty rate was 40.6%. (Census, 1987)

* The number of children living in poor families increased by 2.5 million or 26% between 1978 and 1986, totaling nearly 13 million children in 1986. (Census, 1987)

* Throughout the 1950s and 1960s, the poorest 1/5 of families included 15-17% of the nation's children. By 1984, the poorest families contained 24% of all children in the U.S. (Levy, 1987)

NUMBER OF FAMILIES WORKING AND LIVING IN POVERTY INCREASES

* In 1986, the percentage of poor individuals who were working reached its highest point since 1968; 41.5% of those over the age of 15. Overall, 8.9 million Americans worked but fell into poverty, compared to 6.6 million a decade ago. Some 2 million worked full-time year round but were poor, an increase of nearly 50% from the 1.36 million ten years ago. (Center for Budget and Policy Priorities [CBPP], 1987)

* In 1985, 74% of all poor married couple families with children had a householder who worked; 31% had a householder who worked full-time year-round. In 40% of poor single-mother headed families with children, the mother worked at least part-time. (Census, 1987)

* The working poor predominate among America's rural poor. In 1983, more than 2/3 of rural poor families had at least 1 worker, and more than 1/4 had at least 2 workers. (USDA Economic Research Service, Undated)

CHILDREN IN SINGLE PARENT FAMILIES HIT HARDEST BY POVERTY

* A child in a female single-parent family is 5 times as likely to be poor as a child in a married couple family or a family headed only by a father. (Census, 1987)

* Female headed households represent an increasing share of families in poverty. In 1986, 51.4% of families below the poverty line were female single-parent families, compared to 45.7% in 1982. (Census, 1987)

* In 1985, only 40.4% of poor women with children were awarded child support compared to 61.3 % of all mother-only families. (Census, 1987)

* Less than 2/3 (65.7%) of poor mother-only families entitled to child support in 1985 ever received it. The average annual child support payment for this group was $1,383. (Census, 1987)

POOR FAMILIES AND YOUNG FAMILIES BECOMING POORER

* Despite a slight decline in the overall poverty rate, families living below the poverty line are falling deeper into poverty. Between 1982 and 1986, the average amount of income a poor family in poverty needed to reach the federal poverty threshold increased by 12.7%, from $3,896 in 1982 to $4,394 in 1986. (Census, 1987)

* Female single-parent families have fallen the farthest. Between 1982 and 1986, income deficits for this group increased by 15%, from $4,076 to $4,688. (Census, 1987)

* The poverty rate for young families (household head under age 25) has nearly doubled since 1973, reaching 30% by 1985. (Sum and Johnson, 1987)

* In 1985, nearly half (48%) of children living in young families were poor, nearly double the 26% rate in 1973. (Sum and Johnson, 1987)

INCOME INEQUALITY AT AN ALL-TIME HIGH

* In 1986, the income gap between the rich and the poor hit its widest point in 40 years. The wealthiest 20% of American families received 43.7% of the national family income, the highest percentage ever recorded. The poorest 40% of American families received only 15.4% of the national income, the lowest percentage ever recorded. (CBPP, 1987)

* The United States has a higher percentage of children in poverty than those in 7 other Western countries: 80% higher than the rate in Canada, nearly 60% higher than the rate in Great Britain, and more than double the rate in Germany, Norway, Sweden and Switzerland. The U.S. also has the highest percentage (58%) of all poor children who are severely poor -- living in families with incomes less than 75% of the poverty line. (Smeeding and Torrey, 1988)

FAMILIES IN POVERTY UNLIKELY TO RECEIVE PUBLIC ASSISTANCE

* In 1986, 1/3 of poor U.S. families with children did not receive Aid to Families with Dependent Children (AFDC). (Committee on Ways and Means, 1987)

* Although 28 states and the District of Columbia have adopted AFDC-UP (Unemployed Parent) allowing two parent families living in poverty to receive benefits, the program only reaches 11% of the 2.3 million intact families with children living in poverty. (Committee on Ways and Means, 1987)

* Among Australia, Sweden, Canada, and the U.S., countries which rely most heavily on means-tested programs for public assistance, the U.S. has the lowest recipiency rates, both

for all poor families with children and for single parent families with children. (Smeeding, 1988)

FEDERAL BENEFITS FAIL TO LIFT FAMILIES OUT OF POVERTY

* Between 1979 and 1986, 1/3 of the increase in poverty among families with children, and 37% of the increase among mother-only families, can be attributed to the reduced impact of government cash benefit programs. (CBPP, 1987)

* In 1979, programs like Social Security, Unemployment Insurance, and AFDC lifted 19% of families with children out of poverty. By 1986, these programs lifted only 11% of such families out of poverty. (CBPP, 1987)

* For families relying solely on income from AFDC, the median maximum benefit in January 1987 for a family of 4 was $415, just 44.5% of the federal poverty threshold. In real terms, the value of the median maximum benefit for a family of 4 dropped by 33% between January 1970 and January 1987. (Committee on Ways and Means, 1987)

* Compared to 7 other industrialized countries, the U.S. spent less per poor family with children ($2352) than any other country with the exception of Switzerland ($2317). (Smeeding, 1988)

POVERTY LINKED TO INCREASED HUNGER AND HOMELESSNESS, DIMINISHED EDUCATION AND HEALTH

* The percentage of babies born at low birthweight (the leading cause of infant mortality and childhood disabilies increased in 1985 for the first time in 20 years. Between 1984 and 1985 neonatal mortality increased by 3% among black infants and by 1% among all nonwhite infants. (Children's Defense Fund, 1988)

* Poor children are more likely to be disabled. 8.5% of poor children suffer from severe functional disabilities compared to 4.9% of children in families with higher incomes. (National Association of Children's Hospitals and Related Institutions, 1986)

* One-third of the U.S. population with family incomes below the poverty level have no health insurance. Uninsured low-income children receive 40% less physician care and half as much hospital care as insured children. (Sulvetta and Swartz, 1986; Rosenbaum, 1987)

* Families with children comprise the fastest growing group of homeless. One-third of the homeless are families with children. In cities like Providence, Rhode Island, and New York, homeless families with children make up close to 2/3 of the homeless population. (U.S. Conference of Mayors, 1987)

* In 1985, an estimated 20 million Americans experienced hunger at some point each month. Malnutrition affects almost 500,000 American children. (Physician's Task Force on Hunger, 1986, 1987)

* On average, each year a child lives in poverty increases the likelihood by 2 percentage points that he or she will fall behind a grade level. Sixteen year olds who had spent 8 or more years in poverty were almost twice as likely to be found enrolled below grade level than were children who had spent 2 or fewer years in poverty. (U.S. Department of Education, 1986)

2/25/88

Chairman MILLER. And at this time, I'd like to recognize Congressman Coats, the ranking Republican member of the Committee.

Mr. COATS. Thank you, Mr. Chairman and thanks to my colleagues for participating in this hearing this morning, and particularly our Republican colleague Bill Green from New York who is sitting with the Committee.

This morning, Mr. Chairman, you and Senator Domenici have released a very important survey of family income from the Congressional Budget Office. It confirms many of the suspicions that those of us who have been working with family issues have suspected, that America's families with children have been losing ground relative to other families. While the survey does contain some good news that our economic system has expanded dramatically to include the influx of the baby boom generation and to offer more opportunities for women, and this in spite of some major adjustments in our economy, clearly the bad news is that families with children have not shared equally in this period of expanding family income. Both two-parent and single-parent families with children have declined relative to other types of families. Single-parent families have had the largest decline, though it is somewhat overstated, because noncash income is not included and poor single-parent families are much more likely to utilize this type of assistance.

In fact, one of the more remarkable statistics in this study is that for poor families, those on the bottom 20 percent of income, 84 percent of the income of two-parent families is earned income, whereas among single-parent families within the same income group, a full 65 percent of income is through government transfers not including programs such as food stamps and the WIC program.

It is clear that if we are to reduce dependency, we must rebuild America's families. This survey also clearly shows that among the next income group, not enough two-parent families receive transfer payments to be counted, whereas 16 percent of the single parent family income still comes from transfer payments.

Mr. Chairman, many of us on this committee have consistently supported programs to help those who are in need such as the first witnesses we are to hear this morning. We have supported the efforts of this committee to highlight and fund those proven cost effective programs for children that indeed have worked, and also support both the expansion of health care for the poor and homeless bills. But this survey again makes two points very clear.

One, unless we put our priority on rebuilding families, we will not make much progress in reducing dependency and giving children the opportunity to move out of poverty because government spending simply cannot keep up with the problem of single-parent family growth at lower income levels.

Secondly, this study's evidence of a declining commitment to children in an economic sense raises questions about how government policies may have aggravated trends that impact the family. Adjusted income for families with children declined even though the number of mothers with children under six rose dramatically and family size has declined.

I might also note, Mr. Chairman, that some progress is being made in the tax area. The doubling of the personal exemption in

the 1986 Tax Act was probably the most profamily tax change that has occurred in decades and I commend a number of people for supporting the effort to at least recognize that it cost a great deal more these days to raise children and to take care of a family. The doubling of the personal exemption was not nearly enough to compensate for the ground lost by families with dependents since the personal exemption was first instituted in the late 1940s, but it was certainly a step in the right direction and hailed by the President as the most profamily aspect of the tax bill.

Today's hearing will highlight a number of the factors contributing to the problem of children and poverty. From the problem of an abusive father in the case of the first witness, through the major causes of homelessness such as deinstitutionalization of mental patients, drug and alcohol abuse, failures in our education system and other critical problems.

I thank you for calling this hearing and look forward to the testimony of the witnesses. I ask the customary time for members to submit statements and add to their remarks.

OPENING STATEMENT OF HON. DAN COATS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA, AND RANKING MINORITY MEMBER, SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES

Thank you, Chairman Miller.

This morning you and Senator Domenici have released a very important survey of family income from the Congressional Budget Office. It confirms many of the suspicions that those of us who have been working with family issues have suspected—that America's families with children have been losing ground relative to other families.

While the survey contains much good news—that our economic system has expanded dramatically to include the influx of the baby boom generation and to offer more opportunities for women, and this in spite of major adjustments in our economy—clearly the bad news is that families with children have not shared equally in this period of expanding family income.

Both two parent and single parent families with children have declined relative to other types of families. Single parent families had the largest decline, though it is somewhat overstated because non-cash income is not included and poor single parent families are much more likely to utilize this type of assistance.

In fact, one of the more remarkable statistics in this study is that for poor families—that is, those in the bottom 20% of income—84% of the income of two-parent families is earned income whereas among single parent families within the same income group, 65% of income is through government transfers not including programs such as food stamps and WIC. It is clear that if we are to reduce dependency we must rebuild America's families. This survey also clearly shows that among the next income group, not enough two parent families receive transfer payments to even be counted whereas 16% of the single parent family income still comes from transfer payments.

I have consistently supported programs to help those who are in need, such as the first witnesses we are hearing this morning. I have supported the efforts of this Committee to highlight and fund those proven cost-effective programs for children that have worked. I have supported expansion of health care for the poor and the homeless bills. But this survey again makes two key points clear:

1) Unless we put our priority on rebuilding families, we will not make much progress in reducing dependency and giving children the opportunity to move out of poverty because government spending simply cannot keep up with the problem of single parent family growth at lower income levels.

2) This study's evidence commitment to children in an economic sense raises questions about how government policies may have aggravated trends that impact the family. Adjusted income for families with children declined even though the number of mothers with children under 6 rose dramatically and family size has declined.

Today's hearing will highlight a number of the factors contributing to the problem of children in poverty—from the problem of an abusive father in the case of the

first witness, through the major causes of homelessness such as deinstitutionalization of mental patients, drug and alcohol abuse, failures in our education system, and other critical problems.

Chairman MILLER. Without objection.

Congressman Packard?

Mr. PACKARD. I have no statement, Mr. Chairman.

Chairman MILLER. Congressman Grandy?

Mr. GRANDY. Thank you, Mr. Chairman. I have no prepared statement. I would just like to point out that simultaneously as we begin these hearings today and these discussions, the Education and Labor Committee, the Human Resources Subcommittee on which I also serve, is beginning a detailed study of child care legislation and it is fortuitous, I think, that I will be able to move back and forth between these committees and perhaps track the child care discussion in this form as well as the one that will be going on in the Ed and Labor Committee today. I look forward to hearing what suggestions there are from this panel towards a better child care program, a federal and state approach to that program in the year ahead.

Thank you, Mr. Chairman.

Chairman MILLER. Thank you.

Congressman Wolf?

Mr. WOLF. No statement.

Chairman MILLER. No statement.

Congressman Martinez? And we also have sitting with us Congressman Green. Do you have any comment you want to make as we start out?

Mr. GREEN. Thank you very much, Mr. Chairman, and I want to thank you and the ranking Minority member for permitting me to attend this morning when one of your first witnesses is going to be a constituent of mine, Celeste Fields, who is accompanied by her 14 year-old son.

And I thought it might be useful if I could just brief the Committee for a minute on the situation that we face in New York City. Because of a housing shortage, when families lose their housing, either because they've been doubled up and the person who rents the apartment in which they have been doubled up no longer is willing to continue that kind of arrangement or because they've been burnt out or evicted, the city currently puts them in what are known as welfare hotels. About 40 percent of all those households are residing in welfare hotels in my District.

The conditions in those hotels are abominable. The rooms, by definition, have no kitchen facilities, so that families are forced and are cramped into hotel rooms without any kitchen facilities. The relationships with the school system are constantly breaking down so that many of the children don't get to school. Drug dealing in the vicinity of these hotels is rampant. In short, it's just an impossible situation in which to put families, yet the average stay of a family in these welfare hotels before alternative housing is found is currently running about 13 months. The average rent per month is $1900, of which the federal government is paying one-half under the emergency relocation provisions of the welfare system.

Last fall the administration threatened to cut off all funding for this relocation beyond the first month's stay of the family in the

welfare hotel. And that would have cost New York City $70 million a year. That posed something of a dilemma for those of us from New York City because on the one hand the welfare hotels are, obviously, an abomination, but on the other hand without the $70 million the situation wouldn't be helped, it would only be hurt.

As a result, whether since it was unclear as we set out we would try to deal with the situation through the reconciliation bill or the continuing resolution, Congressman Rangel and I being on the Ways and Means and Appropriation Committees respectively, and Manhattan Borough President Dave Dinkins got together. Essentially we agreed that we would push to keep the $70 million a year flowing, but only if New York City would agree to phase out the welfare hotels and start on an aggressive program to provide alternative housing. And I am pleased to say that the city has agreed to that and did produce a five year plan for dealing with the situation. Now whether the city lives up to that plan is another question and, obviously, one that we are going to be tracking since the exemption from the proposed regulations that we've gotten for the city goes only on a year-to-year basis.

I would make one point, however, and that is that I think Congress in looking at the homeless problem has tended to focus on the people it sees huddled on the grates. Typically these are the single-adult homeless, and thus Congress has tended to ignore the problems of the family homeless. I can recall a few years ago when Congressman Boland, who is the Chairman of the HUD Independent Agencies Appropriations subcommittee, and I, as ranking Minority member, (and Mrs. Boggs is one of our distinguished members) tried to bring to the floor an increase from 5,000 units a year of public housing to 10,000 units, and we were beaten on the floor of the House.

I think we are going to have to take a look, and a hard look, at the family homeless problem and at least in New York City a big part of that problem is simply lack of housing. We have a 2-percent vacancy rate, and, if you look at the 25 largest metropolitan areas in this country, you'll find that almost half of them have a 5-percent or lower vacancy rate. So that a voucher program is really of limited utility in those areas.

Again, I want to thank you for having my constituents here this morning and I'm sure that their testimony will be very enlightening for the committee.

Chairman MILLER. Thank you.

I would also just like to take a moment to recognize the fact that Mrs. Bea Rohmer, who is the First Lady of Colorado, is in our audience and she is leader of a project in Colorado called the First Impressions project.

Where are you, Mrs. Rohmer? Over here. Quite a crowd we have here tonight. And she's—I mean today. You spend a long enough time in my job——

Mrs. BOGGS. He works 24 hours a day.

Chairman MILLER. And that's a project dealing with early intervention and improved early childhood development in Colorado and she's done a lot of work with a friend of this Committee, Mr. Brad Butler of the National Committee on Economic Development who last year emphasized cost effective programs to help children.

Well, I'd like to welcome our first panel. Our panel will consist of Lynn Hudson, who is a parent from Tyner, KY. Celeste Fields, who will be accompanied by her son Richard Fields who are residents of New York City. And Jonathan Kozol, who is an educator and author of "Rachel and Her Children," which is getting a great deal of attention and an awful lot of people reading it, a book about life in the welfare hotels and the homeless. And Robert Greenstein, who is the Director of the Center on Budget and Policy Priorities from Washington, DC.

I want to welcome you to the Committee. Your written statements will be put in the record in their entirety and we're going to just ask you to proceed in the manner in which you're most comfortable and to tell us what you think is important for us to hear.

And, Ms. Hudson, we're going to start with you. So, Bob, if you might be able to just move your microphone over a little bit there.

Relax. This is a very informal Committee with a lot of good spirited people, so you just proceed in the manner in which you're most comfortable.

STATEMENT OF LYNN HUDSON, PARENT, TYNER, KY

Ms. HUDSON. Well, first I'd like to thank you for asking me to be here and I'd like to tell you that I love my children a lot, I love my neighbor's children because you couldn't hire me to get up here no other way because I'm scared to death.

First, I'd like to ask you a question. How far will you go for your children? Will you fight? Will you steal, will you cheat, will you lie? We will. We'll go all the way for our children. And I think it's a crime that in America that a woman is put in a position that she has to do all these things for her children to get what she needs.

Talk won't cut it any more. It just won't cut it. We've asked nicely, we've got no results. Then we've lowered our pride and we've begged humbly and we got no results. Now, if need be, we'll just have to fight. We have to fight for our children because you know what we need, you know what the problems are. And I could stand here all day long and I could give you sob stories, true sob stories, but you've already heard it. You know what the problems are. Now how far will you go for our children? Will you give them what they need?

You say work and then you take our medical benefits away from our children where we can't care for them when they're sick. You say work and then we can't find decent affordable child care for our children. And if we get around all these problems, then you won't pay us enough on minimum wage to feed our children. And I've been on both sides and the only difference between working and not working is you can have soup beans and taters if you work and if you're on welfare, you can have taters and soup beans. That's the only difference.

What I'm saying here, it don't bother me that much because I've got a good education and I got it from the school of hard knocks. And I pay for my mistakes and I'm willing to pay for it, but I'm not willing to see my children have to pay for my mistakes. And that's why I'm here.

And I wrote a little story and it's sort of the way that I see the government and the working people and the people on the welfare.

Now John works, Pete's in the hole. The hole is the welfare system. The shovel is the job and the boss is the government. Now, the boss gave John the shovel and he started to working to digging a hole. And the hole got bigger and bigger and bigger. And people were in the hole. These are the people in on the welfare system. And one day John saw Pete down in the hole. And Pete hollered up there and he said, "Hey, John, give me a shovel and get me out of this hole." And John says, "Well, wait a minute and I'll go ask the boss."

Now, the boss is the government, remember? So John says, "Let's give Pete a shovel." And the boss says, "Uh-uh. We ain't got no shovels and they ain't making anymore." So he says, "All right, Boss. I'm tired. I'm tired of working, I'm tired of trying. Let me get Pete out of that hole. I'll teach him how to use my shovel and we'll work hand-in-hand." And that's exactly what John does. He brings Pete out of the hole and they work hand-in-hand together. And they start filling up the hole, but this time they're filling it up with dirt instead of people. And that's what we want to see. We want to see the people who is working and trying to live and the people who is on welfare are trying to live working together to make a better system for our children and don't put us in the hole. Don't put us down there and make us live beneath ourselves and beg to you for every little thing that we get.

All right. That's my little story. And that's what we do for the people that I work for right now. We train our own people. People on welfare, we get them off, we train them how to work with people in the community and we try real hard to make a better life far ourselves and our children. We asked you for the shovel, you said no. Now we're asking for the chance to bring our own people out and train them and work side-by-side with them, but we need the money and we need the help.

When push comes to shove and it concerns our kids, then by doggies you're going to get shoved. We want for our kids and we're willing to fight for it and we're willing to work hard for it. And if you don't do something right now, I've got five children and we ain't going to go away. And some day they're going to be right up here where I'm at fighting for their children. And by doggies, I plan to see that they're a whole lot smarter than I am, so you got a fight on your hands. Watch out. They're going to be right where I'm at.

How many of you people in government if you saw a little hungry child and it said give me a piece of bread, would you give it a stone? They can't eat stones. We can't feed our children stones. Give us bread so we can live. And that's all I got to say.

Chairman MILLER. Thank you.

[Prepared statement of Lynn Hudson follows:]

Prepared Statement of Lynn Hudson, Parent, Tyner, KY

I grew up being called poor white trash. I didn't know what this was until I was twelve years old. There was either the very, very poor or the very, very rich.

I need, I want can you help me?

I would like for you to meet Robin. She is fifteen years old and alone, out of school and married at 16. By the age of 21 she has five sons. SHe has no friends or family, no education, no skills. She is basically alone.

I guess Robin would never have been able to have seen the grave mistakes she made, if she had not been seeing her children reliving her own mistakes. Robin was willing to pay for her own mistakes but, to see her little children suffer for it, was more than she could stand. So, now Ribin had to make a decision. to sit back and hope things would get better, or to get up and make it better. I am Robin.

Now comes the doubts and the fear. How can I change things? What can I do? Where do I turn?

So I begin by becoming a volunteer and become more involved with the community and with A.C.C. Through them I was able to get the help I needed to finish my education, to get the training I needed and the support me in my efforts and now I work very hard with Parents are Partners and New Beginnings to see if I can't stop these children from making the same mistakes that I did. I also work very hard with a program called Rural Success for court appointted families who have dropped out of school.

What I have learned from my mistakes is what it means to be between a rock and a hard place.

In Kentucky if you receive a medical card and receive food stamps, if you try to better yourself by working and having a little pride, the first thing the government does is penalize thisperson by cutting them out completely. The fear of losing what little you have is so great that a lot of people figure they are better off where they are, than to take a chance and lose what little they do have. How long will someone work when they are receiving less than when they were on welfare? Take your choice work gets you soup beans and taters. Welfare gets you taters and soup beans.

I liked to share a story called John, Pete and the Hole. John works. Pete is in the hole. The hole is the welfare system. The shovel is the job. The boss is the government.

The Boss gave John a shovel and he started working, digging a hole, and the hole got bigger and bigger. Then one day John saw Pete in the hole and Pete cryed out to John, "Please give me a shovel so I can get out of this hole. So John goes to the Boss and he says, "Can you give Pete a shovel or can you make him a shovel?" And the Boss said, "No, sorry but we're plumb out of shovels". So John tells the Boss, "Boss, I'm real tired of digging with this shovel and I could really use some help and if its alright with you, could I train Pete to use my shovel so he could help me?"

So the Boss said okay and John pulled Pete out and they took turns with the shovel and it caught on. More and more people decided to come out and pretty soon everyone was busy filling up the hole with dirt instead of people. Granted for one reason or the other they couldn't come out because of fear, physical reasons and some just refused to come out. But, Pete and Johnstarted to work together and help bring others out. That is what A.C.C. does with women and families in the community. We work to train our own people.

Parents are partners what we do and what we need is money. New Beginnings is what we do and what we need is money. Rural success is what we do and what we need is money. How can we help? Give us a chance.

Some statistics: For 25 years and older there is a 75% drop out rate in Jackson County. There is a 72% drop out rate in Clay County which joins us. We need more adult education classes.

How far would you go for your children? Would you lie, cheat fight?

How far do you think we'll go?

Let me tell you, ALL THE WAY!

In Kentucky, for a woman to get what she needs for her children, she must remove the husband from the home. And believe me if a woman has to go that far she will! And ain't it a shame children should be deprived of their daddy.

Our program is having problems. Our funds have been cut even though we show good results. We need money. What for:

To train people
For jobs
For our families
For pride.

We have done so much with so little. Just imagine what we could do if we had backing!

Chairman MILLER. Ms. Fields, we'll start with you and then we'll hear from Richard. Welcome to the Committee.

STATEMENT OF CELESTE FIELDS, PARENT, NEW YORK CITY, NY

Ms. FIELDS. Thank you.

Good morning. My name is Celeste Fields. I'm from New York City. In 1985 my children and I became homeless. I was a battered wife and my children were abused children.

The beginning of 1985 I contracted cancer of my intestines so I had to leave my job. I was on a disability leave from my job when I just took my kids and I left my apartment because my husband wouldn't leave. So I didn't know where to go, so I went to the precinct. We're from the Bronx. And the sergeant told me that he would send me to the EAU, that's Emergency Assistance Unit, for people that have no where to live that lose your apartment for one reason or another. Just don't mention that I work, because otherwise they wouldn't be able to help me if they knew that I was employed.

So me and my kids spent 37 days at the EAU, back to the welfare center trying to find some place for us to go. We were sent to the Martinique Hotel, that's a welfare hotel in New York City, one of the worst welfare hotels in New York City.

I have two daughters and one son. My daughters are 18 and 20. This is my son Richard. He's 14. They gave us one room, a 10 by 20 room, no closet, no running water. We was paying $1538.00 every 2 weeks for this room. The welfare was paying it for us.

You're not allowed to cook in the room. There's no cooking facilities, so everybody gets hot plates, toaster ovens, whatever until when the inspectors come around you have to take all that and hide it because you could lose your room if they see that you're cooking in the room, which they know that everybody cooks. But I guess they just don't want to see, you know, the things that we do in the room.

For the rent that we paid, all we received was a room. If your rent wasn't due—if your rent wasn't paid—the owner that owns my hotel, he walks around with a gun all the time. And he intimidates a lot of people. If you don't know your rights, he can put you out of there. Say your rent is due Tuesday and you don't want to go get the rent or maybe sometimes the welfare doesn't have the rent ready on Tuesday, he'll put a plug in the door. So you have to call the police department, they have to come threatening to take the plug out, all of this just to get back in the room.

My oldest daughter Pier, she dropped out of school. We was in the hotel for about 3 months. She found it very hard to deal with living in a place like that. I took her to the doctor, the doctor said it would be best if I—if somebody—if she could stay with somebody else until we got permanent housing because she just couldn't deal with it the way my son and my other daughter, you know, and myself were doing.

Well, I guess that's all I have to say.

Chairman MILLER. Thank you.

[Prepared statement of Celeste Fields follows:]

Prepared Statement of Celeste Fields, Parent, New York City, NY

I became homeless because I was a battered wife and my children were abused. One year before I left, they told me I had cancer of the intestine and I had four operations. So physically I was not well.

One day I decided that I couldn't take it anymore and I told the kids to get their clothes and their books and that we were leaving. I had tried to get my husband to leave for the past nine or ten years, but he wouldn't leave. So I took the kids and left.

At this time I was an accountant for Consolidated Laundries but because of my cancer, I was on a disability leave. I had always worked, I had been an accountant and secretary for 17 years, so I was not on welfare.

The court sent us to a battered woman's shelter in Queens. It was an old run-down building and there were rats running around, so that night we came home. But my husband was still there, and again I told the kids to pack up. I didn't know where to go, so we went to the 42nd precinct in the Bronx. A policeman suggested I go to an EAU, Emergency Assistance Unit.

We got to the EAU and the worker told me he couldn't open a case for us because I was not on welfare. He said if I quit my job he would open our case. We stayed there from Saturday to Wednesday. The EAU doesn't open till 5:00 pm, so during the day we went to the Ryder Avenue welfare center, then at 5:00 back to the EAU. The walk from the EAU to the welfare center was about 11 blocks. Wednesday, we were sent to the Bronx Park Motel for one night. Then back to the EAU. Friday night we were sent to the Holland where we were supposed to be for 8 days. But the conditions were terrible. There was no running water, we had to go to a bar across the street and carry clean water up to our rooms. And we had a double bed and one cot for four people. So Sunday, we went back to the welfare center. I explained about the conditions, but they were angry because they had given us 8 days rent at the Holland. They say when you are homeless you should take whatever they give you.

We were penalized and had to stay at the EAU for a week and a half. All the time going back and forth to the welfare center and then the EAU. They don't give you any money for food because there is food there. We had peanut butter and jelly sandwiches, or cheese sandwiches three times a day. We also got little cartons of milk, or juice if they had it.

Then we were sent to the Carter for a weekend, Monday, back to the welfare center for another week or so. Then on October 21st, we were sent to the Martinique Hotel with 2 weeks rent. And that is where we spent the next 27 months. Every 2 weeks you go to the welfare center and pick up the rent, and as long as you obey the rules, you are allowed to stay.

Now we live in the Henry Street settlement which is a family urban center.

Chairman MILLER. Richard?

STATEMENT OF RICHARD FIELDS, NEW YORK CITY, NY

Mr. FIELDS. Yes. My name is Richard Fields. I'm from New York City. The home situation effected me in my school work. I had a hard time, you know, getting to school and while we were placed at the EAU I couldn't attend school because we was running from the EAU to a hotel, from the EAU back to another hotel. So it's like, you know, a merry-go-round. You're back and forth, back and forth.

So the question is, What alternatives do you have when you're homeless? So we ended up at the EAU. And from there we was placed in the Martinique Hotel. And finally I was able to go back to school, but I still had a poor punctual record because I had to take two trains and two buses to attend school. And I also had to get up at 6 in the morning and be out by 6:30 and didn't get to school until 8:20. So all I had was ten minutes left for homeroom. So—and I also—my attendance was, you know, bad because of the situation. So, I'm doing better now, but that's the main part about the situation.

Thank you.

Chairman MILLER. Thank you very much.

[Prepared statement of Richard Fields follows:]

Prepared Statement of Richard Fields, New York City, NY

My name is Richard Fields. I am from New York City. My family and myself have been homeless since 1985. The problem is, when you are homeless you don't have a lot of alternatives. We ended up at an EAU, and because of this I lost a great deal of time from school. Not only was I missing school, but because it was the beginning of the school year, I knew I would fall behind.

Finally, we were placed in the Martinique and I was able to return to school. But I still had a poor punctual record because I had to take 2 buses and 2 trains to get there. I would get up at six in the morning and get to school around 8:30. The trip was difficult but because we were homeless for so long there wasn't an alternative.

Also, because the trip was so long it was hard to concentrate in school. Then I would return to the Martinique, but it was hard to study there because the room was so small and there was always noise in the halls.

My grades suffered because of my attendance in school. School had just started when we got to the EAU. I knew I could do better, but there was too much confusion.

Chairman MILLER. Mr. Kozol?

STATEMENT OF JONATHAN KOZOL, EDUCATOR AND AUTHOR OF "RACHEL AND HER CHILDREN," BYFIELD, MA

Mr. KOZOL. Well, thank you, Mr. Chairman.

I've been back and forth across the country traveling the past few weeks since the publication of this book, and my worst expectations are confirmed. The new face of homelessness in the United States is the face of a child, average age 6; of a young mother and frequently of a working father unable to pay the rent on minimum wage in the United States.

Nobody knows how many children are homeless in America, but estimates I've seen that I find credible indicate approximately 500,000. If all of these children were gathered in one place, they would represent a population larger than that of Atlanta, Denver or St. Louis. A city of children. Because they're scattered in a thousand cities, they're easily unseen and because many of these children die before their second year of life, a number of these children will never live to tell their stories.

The infant death rate, I might add, in the homeless shelters of New York is almost 25 per thousand. The national average is 11 per 1,000.

The children who don't die in infancy are subject to medical and psychological havoc. Many are brain damaged by the lead poison common in these shelters, but for some reason not corrected by the city. Most of these kids are depressed, many are hyperactive. Kids have a terrible time with school. About a third of the homeless children in New York City don't go to school at all. Those who do, tend to be about two years behind grade level. They'll show the warning signs of failure by the fourth grade, the certainty of failure by the 6th grade and in many cases two years later many of those children will be parents also.

I'm not going to say very much more because I'd like to leave time to entertain your questions, but I do want to make a specific comment in view of my career as a teacher. I was a school teacher 25 years ago and have worked with poor children for many, many years ever since 1964, but I never, ever have seen children living under conditions so deplorable, so shocking and degrading as those which are permitted and perpetuated by the city of New York. It is extraordinary to me that conditions like these which would be understandable in Calcutta should be permitted in the richest city of America.

It is most important that the committee members understand that these people are not there by their own fault. They have done nothing wrong. Most of these people when they arrive in the homeless system, in the shelter system, are not crazy or lazy or alcoholic or drug users. Though after two to four years in places like the Martinique, it is not surprising that we'll find such disorderly behavior. And when that happens, we will be very quick to send in psychologists to stigmatize and label the homeless—who will say "Ah, ah, these people show pathological behavior, that's why they're homeless."

If people are ill in the shelter system after four years, it's because we have made them homeless and there's a terrible brutality at stake in a society which will send out psychiatrists to lable homeless but can't afford to send pediatricians to inoculate poor homeless children.

If there's one message I'd like to convey to you today, it is the fact that there is no excuse of not knowing the facts. They have been well publicized. There is no longer the excuse of not knowing what to do. There are lot of people in New York who know how to build housing. Indeed, it has been often observed that if the Department of Defense suddenly had need, urgent need, to transfer 5,000 military families to New York City, 5,000 airmen and women and their children, it would not place them in places like the Martinique Hotel. It would find decent housing for those people. If it didn't exist, it would build it and would pay for it. There is some reason why we tolerate this kind of existence for the 5,000 homeless families in New York. For some reason we have categorized them as people unlike ourselves who are in some sense expendable. And needless to say, it is going—we're planting seeds of hatred that we're going to have to pay for many times over in the years ahead, but that is not the reason to address it today. The reason to address it today is because it is simply incompatible with our professed ideal as a democracy.

I hope today there's one—it leads us to address the simple fact that our society is—conditions which civilized societies are to judge intolerable. Thank you.

Chairman MILLER. Thank you.

[Prepared statement of Jonathan Kozol follows:]

Prepared Statement of Jonathan Kozol, Educator and Author of "Rachel and Her Children," Byfield, MA

The 500,000 children who are homeless today in the United States are becoming America's untouchables, leading the lives of refugees within the richest country in the world.

If these children were gathered together in one city, they would represent a population larger than that of St. Louis or Atlanta. Because they are scattered in a thousand cities, they are easily unseen. And, because they are too frail to raise their voices, they have been ignored by civic leaders.

These children are being punished for their parents' poverty. In New York City, there are 13,000 such children, living in dangerous buildings infested by lead poison, rats, and sickness. Many die before their second year of life. Those who survive their infancy are ravaged by disease, drawn into crime, and often doomed to unemployable adulthood.

The infant death rate in the homeless shelters of New York is 25 per thousand -- over twice the national rate. Those who do not die in infancy are subject to psychological havoc. Many are brain-damaged by the lead poison which is common in these shelters. Almost all are depressed; many become hyperactive. Psychiatrists describe children in homeless shelters who are more depressed than those they would expect to find in psychiatric clinics. A child described by one physician pulled out his permanent teeth.

Whooping cough, tuberculosis, asthma and diarrhea plague the infancy of these children. Many are denied nutrition supplements or Medicaid. Shocking numbers of these children have not been inoculated. Over one third of the homeless children in New York -- and over half of all such children in America -- don't go to school. Those who do are frequently two years behind grade level. Many suffer from sleep deprivation and are too debilitated to be educated.

The children are often afraid to go to school because of the antipathy of other children. They are labeled "hotel children" by their classmates. One boy was told: "You have no home. You don't belong with us." Another was told: "Here's a penny. Use it to buy food." Thousands are denied their lunch or breakfast as a consequence of federal budget cuts. Others, who are forced to ride two hours twice a day to find their education in another district, get to school too late for breakfast and arrive there car-sick and embarrassed. They spend the mornings with their heads down on their desks.

The average homeless child in New York is 6 years old, the average parent 27. Half these parents have held full-time work before they lost their homes. Full-time work at minimum wage can't pay the rent today in the United States. Three million families nationwide are forced to double up illegally with others: Forty thousand are living in garages in Los Angeles. Four million additional families pay two thirds of their pay-checks for their rent. Often they have no money left for food or clothes. Parents of homeless children in New York have been forced to use newspapers as a substitute for diapers.

If this is the fate of children in a time of national prosperity, what will be their plight during the next recession?

I began my career as a schoolteacher in the poorest neighborhoods of Boston. I have been working with poor children for over 20 years but I have never seen children living under conditions so degrading and so dangerous as those that are permitted in the homeless shelters of New York. It is unacceptable that children should be turned into expendable people by American society. The press in New York City is alarmed by isolated instances of child abuse by neglectful parents. But the institutionalized abuse of children by the City of New York is not condemned.

The parents of homeless children do not fit the stereotype of aging winos or psychotics. Most of them are neither crazy, lazy, alcoholic, nor drug-users. They are poor people in a rich society during a time in which real wages have declined while rents in major cities have skyrocketed and federal aid to indigent children has been slashed.

Federal assistance for low-income housing has dropped from $32 billion to $8 billion in the past eight years. The decisions of the White House to stop building public housing has created a waiting-list of 18 years in New York City, 12 years in Washington, DC, 20 years in Miami. The consequence of these policies is seen in homeless shelters everywhere.

Two weeks ago, I met a homeless family in Los Angeles. The mother had come there from Cleveland. The father worked two jobs but couldn't pay the rent. The child was only 38 days old.

The response to these children is antipathy and fear. Nobody wants them in their cities or their neighborhoods. In Denver, it was argued that their mothers should be sterilized. When I demurred at this suggestion, a caller to a radio station threatened my life. A police guard was required for an evening benefit to raise funds for a shelter.

What do we fear? Have children now become pariahs in America?

Children are only about a quarter of our population, but 40% of all poor people in America are children. The deepening of their misery since

1980 is directly tied to White House policies. In 1981, the Reagan administration canceled the White House Conference on Children and Youth -- the first time in this century that this conference, which was previously held once every decade, has not been convened. Decisions like these suggest a national contempt for children that is incompatible with our professed ideals as a democracy.

In New York City, as elsewhere, homeless shelters are described as "temporary" housing, but this has ceased to be an accurate description. Thousands of children have been living in these buildings for two years and, in many instances, for more than four years. Shelters have become the permanent domiciles for those whose only crime is to have been born poor in a time of retrenchment.

Some describe these buildings as a modern version of Charles Dickens' poorhouse. The description is apt, but it is a very expensive poorhouse. In New York City, the government pays $2,000 monthly for a squalid room in which a family can't cook a meal. But welfare regulations in New York forbid the family to pay $400 for a safe apartment. Most families have seen at least five places they were not allowed to rent. So they are forced to stay in these disheartening places at $24,000 annual cost to the taxpayers, and their families are disintegrated and their children are likely to end their lives in prison. But prison may not seem strange to these children. It will remind them of the shelters where they spent their childhood.

In my book, which narrates the struggles of some homeless families to survive a winter in the Martinique Hotel, near Herald Square in New York City, I noted that families are compelled to cook illegally on hotplates in their rooms. The city officially forbids this practice and assigns the family a restaurant allowance. But the restaurant allowance is calculated on the assumption that the family will not spend it in a restaurant. Families are advised to buy a hotplate. If the children should be injured in a fire, it is the mother who is held to blame. Her child may be taken from her as punishment.

A fire at one homeless shelter called the Brooklyn Arms took the lives of four young children. The city did not condemn the hotel owner but the parents were jailed before their children could be buried. The city's response was to increase the funds available for burying the poor children.

In another instance, the city sold a building that it owned to private realtors for $75,000. Today, only a few years later, the city pays over $1 million yearly to the owner of this building to house homeless children. Half of this money comes from federal funds.

One family that lived in the Martinique Hotel for several years was forced initially to stay in another hotel, close to Times Square, in which there was no running water. The mother and her children were obliged to carry buckets fourteen floors in order to obtain fresh water at a local bar. The mother, a bookkeeper who had held a steady job for 17 years, had lost her home after undergoing three successive cancer operations. A woman like this could easily have been returned to a productive life. Instead, she and her children have been thrust into a desperate nomadic life from which only the very shrewd and fortunate are likely to escape with health intact.

Conditions like these would not surprise us in a city like Calcutta. Why is this permitted in America?

Chairman MILLER. The committee for these hearings had asked Dr. Andrew Sum, who is the director of labor market studies at Northeastern University, to testify today and he was unable to do so but he was very generous in allowing our next witness, Bob Greenstein, who is the director of the Center on Budget and Policy Priorities, to present Dr. Sum's findings from a recent study.

And, Bob, I welcome you to the committee. We spend most of the time listening to you presenting your own evidence on what is wrong with the priorities of current federal budget policy and you're certainly welcome to the committee and we appreciate you taking your time.

STATEMENT OF ROBERT GREENSTEIN, DIRECTOR, CENTER ON BUDGET AND POLICY PRIORITIES; WASHINGTON, DC

Mr. GREENSTEIN. Thank you, Mr. Chairman.

What I'd like to do is to summarize some of my own testimony and then try and provide some highlights from Dr. Sum's findings.

I think my testimony is going to be somewhat different from the earlier witnesses. It mainly consists of what you might regard as dry statistics, but I think these statistics tell us some very important information about poverty among families and children.

I'd really like to focus on three things. Recent Census data indicating that those who are poor are now falling part or below the poverty line than in previous years. Census data showing that the proportion of poor families with children who were lifted out of poverty by government benefit programs, Federal, State and local, has decreased substantially in recent years. And also Census data showing that along with our current focus on the inner city that, in fact, the area where poverty has been rising most rapidly is rural America, a point we often miss. And finally, some of Dr. Sum's findings on young families.

First, from the general poverty trends, as we all know, the poverty rate in 1986, 13.6 percent, was higher than in any year during the 1970's, even during the 1974-75 recession. And although 1986 was the fourth year of an economic recovery, there were about eight million more people poor in '86 than in '78, which was also the fourth year of an economic recovery. But what I want to turn to are some different Census data on what's called the "poverty gap." Now, we don't often hear it talked about as much because it's more complicated to explain, it's hard to do in a 30 second sound bit, but in some ways the poverty gap tells us more.

The poverty rate tells us the number or the percentage of people who are poor. It doesn't tell you whether someone's $300 below the poverty line or $3,000 below the poverty line. The poverty gap does. It's the Census measure of the income amount by which people who are poor fall below the poverty line.

Well, what's really disturbing is that the poverty gap—in 1986 the poverty rate, the percentage of people who are poor, the number of people who are poor in America, that went down a bit. But the poverty gap adjusted for inflation went up. What it means is we had slightly fewer people who were poor, but those who were poor were getting poorer on average.

We take the Census figures. The poverty gap was 49.2 billion in 1986. In other words, the total amount by which the incomes of all households who were poor fell below the poverty line was $49 billion. In 1977 it was $32 billion. These figures are all adjusted for inflation. So that's a 50-percent increase from 1977 to 1986.

Now, to be sure, part of it's due to the fact that there were more poor people, but to control for that what we can then look at is let's take the average family. The average poor family, how far did it fall below the poverty line? Again, these are all Census data. The average poor family fell $4400 below the poverty line in 1986, that is farther below than at any point since the early 1960's except for 1982 and 1983, high recession and high unemployment years.

And another thing I'd like to mention, it's not in my testimony, I've just recently been looking at it. Up until a few weeks ago when I started looking at this data I used to say well at least one piece of good news or at least nonbad news was that when you look at the increase in poverty from the late 1970's to the present that while the white poverty rate and Hispanic poverty rate have gone up, the black poverty rate is now back to the level of the late 1970s. It's not higher. That seemed, at least while it's not lower, at least that isn't negative, a negative trend. However, I now feel that I've erred in the emphasis I placed on that because I've been looking at the poverty gap data. What the poverty gap data show us is during the same period that the black poverty rate didn't increase, the black poverty gap went up 60 percent after adjusting for inflation.

If you look at black families, the black poverty gap per poor person in poor black families is 30 percent higher than in 1978. So particularly among black families, those who are poor are falling much deeper into poverty than they did only a decade ago.

To give you one last figure on this, Census data, you know, it measures so many things. If we set up a category we called the poorest of the poor, those with incomes below half the poverty line, that's about $4300 a year for a family of three in 1986, the proportion of the poor who fall into this poorest of the poor category reached its highest level in more than a decade in 1986, about two of every five poor people, about 13 million according to the Census figures, are below half the poverty line.

Well, we know that there are a number of factors here. There are economic factors, there are demographic factors and there's changes in government benefits and not to engage in a debate over the relative importance of each, I want to tell you a little about some recent work we've done off of street Census data on the third issue, government benefit programs.

The Census Bureau publishes very important data to tell you how many people, how many families, how many families with children, it's broken out like that, how many families with children are poor before any government income, Social Security anything else. Then they tell you how many are poor after Social Security, how many are poor after all government benefits that are in cash, how many are poor after government benefits in cash and in kind. And by comparing these figures over the years, you can see the proportion of poor families with children who were poor before government benefits but lifted above the poverty by the benefits. It's just straight Census data.

The data goes back to 1979. That's the first year Census has done it for. But what we find is that in 1979 19 percent, about one of every five families with children that were poor before any government benefits were lifted out of poverty by these benefits. In 1986 only 11 percent, only one of every nine families with children who were poor before getting these benefits, were lifted out of poverty by these benefits. Now, during this period, 1979 to 1986, the number of poor families with children rose from a little over four million to 5.5 million, a 35-percent increase.

So we simply took the Census data and we said if the programs lifted the same proportion of poor families with children out of poverty in 1986 as they had done in 1979, no more, no less, same percentage, what would have happened? The answer is there would have been half a million fewer poor families with children in 1986. In other words, about a third of the increase in poverty among families with children is connected to the declining impact of Government benefit programs in lifting poor families with children.

Now, part of this is States not keeping AFDC benefits up with inflation, they've declined 20 percent in real terms since 1979, according to the Congressional Research Service. Part of it or some of the bonif benefit reductions in 1981, particularly in AFDC. We've also had major erosion in the unemployment insurance program. Last year 31½ percent of the unemployed got benefits. In an average month the lowest percentage ever recorded.

One thing that I think is very interesting is that if you look from 1979 to 1986, that 2 years in which any poverty impact of these programs declines the most were from 1979 to 1980 and from 1981 to 1982. Now, it's very interesting. From 1979 to 1980, that was the highest inflation period. States' benefits and AFDC fell farthest below inflation in that period. From 1981 to 1982, 1982 was the year the 1981 budget cuts under/over took effect. So it's very suggestive evidence that these changes did significantly impact poverty among poor families with children along with underlying economic and demographic changes.

Thirdly, I just wanted to comment a bit on rural poverty because I think we often don't pay enough attention to it. Since 1978 the nonmetropolitan, again these are the Census data, the nonmetro poverty rate increased twice as much as the metro poverty rate. It's very interesting. We've got central cities, those are the city boundaries, no suburbs included, the central city poverty rate in 1986 was 18 percent. The nonmetro poverty rate was 18.1. This is the first time since 1975 that the nonmetro poverty rate was equal to or greater than the city poverty rate.

If you then look at sub groups, for whites the poverty rate in central cities was 14 percent, but in nonmetro areas for whites it is 15 percent. For blacks—this is all 1986 data. For blacks 31 percent in the cities, 42 percent in the nonmetro areas. For Hispanics 31 percent in the cities, 38 percent in the nonmetro areas. In fact, the only reason that the overall poverty rates are the same is that nonmetro areas are more white than are the cities.

What happens if we look at children? Well, what's most disturbing are the figures for black children in rural areas. If you take black children, these figures are astonishing to me. Black children under six in female headed families, the poverty rate in central

cities is 76 percent. The poverty rate in nonmetro areas 83 percent. Black children under 18 in female headed families, 68 percent, in the cities 76 percent in nonmetro. This is not just black children in single-parent families. These differentials apply in married couple families as well. Black children under six in two-parent families, the rate is 16 percent in the central cities, 37 percent in the nonmetro areas.

In fact, there's a Congressional Research Service study done a few years ago which showed when we look at the worst kind of poverty, long term poverty, year after year after year, which clearly imposes greater depravation on a child than being poor for a year and then coming out, the highest incidents of long term poverty is not in the inner cities, it's in the black rural south where children spend a larger proportion of their childhood in poverty than among any other group in America.

Now, the final thing I'd like to comment on, I'll try to be brief, are just a few of Dr. Sum's findings. He has been studying, doing very important work, studying young families, young families with children. And I note, Mr. Chairman, in the staff analysis of the CBO report that's out this morning, it has some figures that in their own ways tell the similar story to Dr. Sum's figures. I note it says that the median income of young families with children dropped 43 percent from 1970 to 1986 and 56 percent for the median income for the poorest two-fifths of these families and that effected married couple and single-parent families both. Well, while Dr. Sum does not have all the refinements in his data that the CBO study does, the basic message I think is similar.

He notes that in 1967 the median income of families headed by a person 20 to 29 was 90 percent of the median income of all families in the country. But by '86 the median income of those younger families was only three quarters of the median income of all families in the country and that by 1986 the median income of families headed by someone 20 to 24 year old was down to 52 percent of the median income of all families in the country.

He says the heads of young married couple families experienced a 23-percent decline in their real median earnings between 1973 and 1985. That this significantly increased poverty for single parent families, less so for married couple families because they were able to partially buffer themselves from these economic forces through altered work arrangements in which the second parent also worked, but he notes the loss of leisure home output, the option of bearing children at these stages in their life and the additional expenditures on child care are not included in these income estimates and if you factored those in, they would look more unfavorable.

He notes that the real incomes of young black families were most adversely effected and that in 1985 the median income of young black families was only $5700 dollars.

He also comments on the poverty rate. He says in 1986 the poverty rate of primary families headed by a person under 25 years of age was 31½ percent, twice as high as the rate for the same families in 1973. He says, and I did not know this. I think this is very disturbing. He says the poverty rate of our nation's youngest families has risen continuously since 1978 and has not yet fallen in the

1980s. General poverty rate came down in 1984, 1985, 1986. He says for young families there still hasn't been a year in the 1980's in which it has come down.

He notes that even for families where the head is 25 to 29 the poverty rate is 70 percent higher than in 1973. He notes in 1973 for families, young families, the poverty rate was 1.8 times high as for all families, but now it's nearly three times as high.

Finally, he has some data which I think would interest you in poverty rates among children in these young families. He says from 1973 to 1985 the proportion of children in primary families where the head's under 25 or 25 to 29, poverty rates for those children increased by more than 70 percent. That in 1985 about 1 of every 2 children living in young families and 3 of every 10 living in families 25 to 29 were below the poverty line. That the rising incidents of poverty among children and young families occurred among white, black and Hispanic families. For example, among white families where the head with children—among children in white families where the head is under 25 years of age, 18 percent were poor in 1973, 39 percent were poor in 1985, over twice as many. That for black children where the head is under 25, three-quarters of them are now below the poverty line. And that this applies to children in both single-parent families and young married couple families. He notes that for children in married couple families where the head was under 25 and 25 to 29 the poverty rate doubled between 1973 and 1985.

So I think this is just some further data on the same theme that you mentioned and it appears to be in the study you're releasing today, but clearly in our policies in the future we may need to pay more particular attention to families with children that are young families.

Chairman MILLER. Well, thank you.

[Prepared statement of Robert Greenstein follows:]

PREPARED STATEMENT OF ROBERT GREENSTEIN, DIRECTOR, CENTER ON BUDGET AND POLICY PRIORITIES, WASHINGTON, DC

I appreciate the invitation to appear before you today. I am Robert Greenstein, director of the Center on Budget and Policy Priorities, a non-profit research and analysis organization located here in Washington, D.C. Since its founding in 1981, the Center has devoted a substantial portion of its work to issues related to poverty and the low income population.

For today's hearing, I would like to focus on Census data that shed light on three issues relating to children and poverty:

- Recent Census data indicating that those who are poor now fall deeper into poverty than in the past.
- Census data showing that the proportion of poor families with children that are lifted out of poverty by government benefits has declined markedly.
- Census data showing that despite the current focus on the inner city, poverty rates have risen most rapidly in recent years in rural areas.

Deepening Poverty: A Worrisome Trend

Despite several years of economic recovery, poverty remains at quite high levels. In 1986, the poverty rate stood at 13.6 percent. This was higher than in any year in the 1970's, higher even than during the 1974-75 recession.

The 1986 poverty rate was unusually high for the fourth year of an economic recovery. For example, 1978 also marked the fourth year of an economic recovery. But in that year, the poverty rate was 11.4 percent and 24.5 million Americans lived in poverty -- nearly eight million fewer than in 1986.

Similarly, in 1977 and 1980, the unemployment rate was at about the same rate as in 1986 -- but the poverty rate was significantly lower.*

In addition, the Census data indicate that the poor have been growing poorer and falling deeper into poverty. This is shown by Census data on the "poverty gap."

The "poverty gap" is the total dollar amount by which the incomes of all who are poor fall below the poverty line. In 1986, the poverty gap was $49.2 billion. Many analysts believe that the Census data on the "poverty gap" provide one of the best measures of poverty. The more frequently cited statistics on the number and percentage of Americans who are poor have the shortcoming that they fail to distinguish between a family with income $500 below the poverty line and a family $5,000 below this line. The poverty gap, by contrast, reflects these distinctions.

It is disheartening to note that although the number and percentage of people living in poverty declined slightly in 1986, the poverty gap *increased*. This means that although the number of poor people fell a bit, this decline was more than outweighed by the extent to which those who were poor grew poorer.

---

*It should be noted that the rise in poverty over this period is *not* a result of a failure to include non-cash benefits in the Census Bureau's official poverty measure. The Census Bureau publishes four alternative measures of poverty that include the value of non-cash benefits and has compiled data on the extent of poverty under these alternative measures for each year back to 1979. The data show that under every one of these four, alternative measures, poverty has increased *faster* since 1979 than it has under the official measure of poverty.

Moreover, the poverty gap of $49.2 billion in 1986 compares with a poverty gap of $39.5 billion in 1980 and $32.1 billion in 1977. (The figures for 1977 and 1980 are adjusted for inflation and expressed in constant 1986 dollars.) In other words, the poverty gap has grown *by more than 50 percent since 1977.*

The Census data also show that families which were poor in 1986 fell an average of $4,394 below the poverty line. The average poor family now falls further below the poverty line than at any time since 1963, with the exception of the recession and high unemployment years of 1982 and 1983.

A final piece of evidence indicating that the poor have grown poorer is Census data showing that in 1986, the proportion of the poor who fall into what we might call the "poorest of the poor" category -- those with incomes below *half* the poverty line (or $5,600 for a family of four) -- reached its highest level in more than a decade. Some 39.2 percent of all people who were poor in 1986 (or 12.7 million people) had incomes below half the poverty line.

Declining Anti-Poverty Impact of Benefit Programs

One factor behind the poverty surge of recent years appears to be a marked decline in the income support provided to families through government benefits. This decline has resulted both from the failure of states to keep AFDC benefits up with inflation and from benefit retrenchments made at the federal level.

It is well known that over the past quarter century, as Social Security benefits were raised and indexed for inflation and also expanded to cover a steadily growing share of the elderly population, and as the SSI program for the elderly poor was created, poverty rates among the elderly plummeted. Similarly, during the 1960's, when AFDC benefits rose in real terms and unemployment remained low, poverty among families with children fell markedly. But in the period since 1970, when AFDC benefits fell in real terms and unemployment

climbed and then remained at high levels, poverty among families with children rose sharply.

Of particular interest are Census data on the anti-poverty impact of benefit programs. These data show that government benefit programs now lift out of poverty a much smaller proportion of families with children than they did in 1979. In 1979, the first year for which Census data on the anti-poverty impact of government programs are available, nearly one of every five families with children who would otherwise have been poor (19 percent of these families) was lifted out of poverty by benefit programs such as AFDC, Social Security, or unemployment insurance. In 1986, by contrast, only one of every nine families with children (11 percent of these families) was lifted out of poverty by such programs.

During the period from 1979 to 1986, the number of poor families with children climbed from 4.1 million to 5.5 million, an increase of 35 percent. The declining impact of government programs was an important factor contributing to this trend.

Indeed, one-third of the increase in poverty among families with children since 1979 would not have occurred if government benefits programs had as much impact in 1986 in removing families from poverty as they did in 1979. Census data show that if the benefit programs had simply continued in 1986 to lift out of poverty the same proportion of otherwise poor families with children as in 1979, nearly half a million fewer such families would have been poor in 1986.

There is ample data on the extent and impacts of the reductions in these programs. Since 1979 alone, AFDC benefits for a family of four with no other income have fallen approximately 20 percent in the median state, after adjusting for inflation, according to the Congressional Research Service. In addition, the General Accounting Office found that 440,000 low income working families were

terminated from the AFDC program (and in many cases from Medicaid rolls as well) by the 1981 budget reductions, and that these families suffered substantial income losses as a result. Furthermore, the unemployment insurance program, which used to provide benefits to close to half the unemployed, reached only 32.7 percent of the unemployed, or less than one in three, in an average month in 1986. This represented the lowest percentage of the unemployed to receive unemployment insurance benefits recorded in the program's history. (In 1987, only 31.5 percent of the unemployed received unemployment benefits, a new record low.)

To be sure, several other factors also appear to have contributed to the lessened impact of government benefits in lifting families with children out of poverty (such as changes in the economy that may have reduced the earnings of some poor families and demographic shifts affecting the composition of the poverty population). But the data point strongly to retrenchments in the benefit programs at both federal and state levels as a predominant factor here. In the late 1970's and early 1980's, when inflation was quite high, AFDC benefits eroded substantially in real terms. Then in 1981, large federal budget cuts were enacted that disproportionately affected programs for the poor. The Census data show that the years in which the greatest decline in the anti-poverty impact of government benefits occurred were precisely the same years as those in which inflation was highest or in which the budget reductions enacted in 1981 took effect.

Earlier analyses by researchers at the Urban Institute and the Institute for Research on Poverty also found reductions in benefit programs to be one of the principal factors in the large increase in poverty since the late 1970's.

Rural Poverty

During the period since 1978 (the period when poverty increased so substantially), the non-metro poverty rate increased twice as much as the metro poverty rate. The metro poverty rate climbed from 10.4 percent in 1978 to 12.3 percent in 1986, but the non-metro rate rose from 13.5 percent to 18.1 percent.

Even more striking are data comparing poverty rates for non-metro areas to the rates for "central cities" (to use Census Bureau terminology). "Central cities" are areas within official city limits, and exclude all suburbs. In 1986, *the non-metro poverty rate was the same or higher than the central city poverty rate for the first time since 1975.* The poverty rate was 18.1 percent in the non-metro areas of the U.S. and 18.0 percent in the central cities.

Moreover, for most population groups, poverty rates were higher in rural areas than in the cities. The poverty rate for whites in central cities was 14 percent in 1986; for whites in non-metro areas it was 15.1 percent. For blacks in central cities, the poverty rate was 31.2 percent in 1986, but for blacks in non-metro areas it was 42.3 percent. For Hispanics, the poverty rate was 31.1 percent in the central cities, 38.2 percent in the non-metro areas. For every major racial or ethnic group, the poverty rate is significantly higher in the non-metro areas than in the central cities. The reason that overall poverty rates are about the same in the non-metro areas as in the central cities is that the population as a whole is more white in non-metro areas than in the cities and whites have lower poverty rates than do blacks and Hispanics.

The most disturbing rural poverty figures are those which apply to black children. For example, while the poverty rate for black children under the age of six in female-headed families is 76.2 percent in the central cities, it is 83.4 percent for non-metro areas. For black children under 18 in female-headed

families, the poverty rate is 68.0 percent in central cities, but 75.9 percent in non-metro areas.

This problem -- of higher poverty rates for black children in rural than in central cities -- applies to black children in more traditional families as well. The poverty rate for black children under age six in two-parent families is 15.9 percent in the central cities. In the non-metro areas, the poverty rate for these children is 37.4 percent, or more than twice as high.

Long-Term Poverty in Rural Areas

Persistent poverty should be our greatest concern. A family or a child that is poor year after year suffers greater deprivation than a family or child that is poor just for a year or two.

The common perception is that long-term poverty is most severe in our nation's big cities. The reality is that the highest rates of long-term poverty are found in the black rural South. Children growing up in the black rural South are likely to spend more years of their childhood in poverty than any other group of children in America, including black children growing up in central cities.

Poverty data are available on a longitudinal basis from the Panel Survey of Income Dynamics (PSID). The PSID data have been analyzed both for the 10-year period from 1969 through 1978 and for the five-year period from 1978 through 1982. For the period from 1969 through 1978, some 15 percent of the total U.S. population lived in rural areas.* But of those who were long-term or persistently poor -- that is, poor at least eight out of those 10 years -- some 33 percent lived in rural areas. In other words, the percentage of the long-term

*Greg J. Duncan, *et al.*, *Years of Poverty, Years of Plenty*, University of Michigan, 1984, p. 49. Duncan defines as rural those non-metro counties that do not include towns with a population of more than 10,000. Urban areas are cities of 500,000 or more.

poor who lived in rural areas was more than twice the percentage of rural people in the overall U.S. population. By contrast, a third (33 percent) of the U.S. population lived in urban areas during this period, but only about one-fifth (21 percent) of the long-term poor lived there.

Work by U.S. Department of Agriculture's Economic Research Service, which analyzed the PSID data for the period from 1978 through 1982, reveals a similar pattern: 12.3 percent of the U.S. population lived in rural areas during this period, but 21.1 percent of the long-term poor were rural residents.

Who Are the Rural Poor?

The family structure of the rural poor differs somewhat from that of the urban poor. The rural poor are more likely than the urban poor to live in two-parent families rather than in single-parent families. Fewer than half of the poor in metro areas live in two-parent families. By contrast, nearly two-thirds of the poor in the non-metro areas live in two-parent families.

Also of interest is the fact that more than two-thirds of the non-metro poor families have at least one worker, and a fourth have at least two workers. By contrast, in metro areas only about half of the families that are poor have one worker.

• • • •

I hope this discussion of poverty data is useful to the Committee. Our nation has an unfinished agenda in dealing with poverty in our midst, especially among families with children. Many of us who work on poverty issues appreciate the leadership of this Committee in helping to bring more national attention to these important matters.

CENTER ON BUDGET AND POLICY PRIORITIES

236 Massachusetts Avenue, N.E., Suite 305
Washington, D.C. 20002
202-544-0591

Robert Greenstein
Director

IMPACT OF GOVERNMENT BENEFIT PROGRAMS DECLINES, ADDS TO NUMBER OF POOR FAMILIES

Government benefit programs now lift a smaller proportion of families with children out of poverty than they did in 1979, according to an analysis of recently issued Census data.

One-third of the increase in poverty among families with children since 1979 would not have occurred if government programs had as much impact today in removing families from poverty as the programs did in 1979. Since 1979, the number of poor families with children has grown sharply, rising from 4.1 million to 5.5 million, an increase of 35 percent.

The Census data show that if benefit programs providing cash assistance had continued to lift out of poverty the same proportion of families with children as in 1979, nearly half a million fewer such families (479,000) would have been poor in 1986.

In 1979, the first year for which Census data on the anti-poverty impact of government programs are available, nearly one of every five families with children who would otherwise have been poor (19 percent of these families) was lifted out of poverty by cash benefits such as Social Security, unemployment insurance, or public assistance. In 1986, however, only one of every nine families with children (11 percent of these families) was lifted out of poverty by such programs.

The anti-poverty impact of the programs on families with children declined every year from 1980 through 1983, improved slightly in 1984 and 1985, but dropped again in 1986. A number of factors appear to account for the lessened impact of the programs in lifting families with children out of poverty, including reductions in benefit programs at both federal and state levels, changes in the economy that may have reduced the earnings of some poor families, and changes in the composition of the poverty population.

States have failed to increase benefits to keep up with inflation, especially in the Aid to Families with Dependent Children (AFDC) program, the nation's principal public assistance program for poor families with children. For example, AFDC benefits for a family of four with no other income fell 18.5 percent in the typical state from 1979 to 1986, after adjustment for inflation.

In addition, budget reductions made at the federal level in the early 1980's, and in some cases at state levels as well, have also had a major impact. For example, in the unemployment insurance program, which has been subject to major cuts both at the federal level and in a number of states, the percentage of unemployed people receiving benefits hit the lowest level ever recorded in 1986, when only 32.7 percent of the unemployed received unemployment benefits in an average month.

There has also been an underlying trend in the economy in which poor families are growing poorer and falling further below the poverty line. For some of these families, their other income, when supplemented by government benefits, no longer brings them to the poverty line.

Increases in the number of poor single-parent families with children may also be a factor. Poor single-parent families typically have less income than other poor families with children. While they are more likely than other poor families to receive government benefits, their income often remains well below the poverty line even after receipt of these benefits.

The results of the Center's analysis are consistent with earlier analyses by researchers at the Urban Institute and the Institute for Research on Poverty at the University of Wisconsin, which also found reductions in benefit programs to be one of the principal factors in the large increase in poverty since the late 1970's.

Non-Cash Benefits

If a broader measure of poverty that includes non-cash benefits is used, the decline in the anti-poverty effectiveness of government programs is even greater. If non-cash benefits such as food stamps, subsidized housing, and Medicare and Medicaid are counted as income when poverty is measured, then more than half (54 percent) of the increase in poverty since 1979 among families with children results from the lessened impact of these programs.

The Census data analyzed show that under the measures of poverty that include non-cash benefits, between 662,000 and 862,000 fewer families with children would have been poor last year if government programs had lifted the same proportion of these families out of poverty as they did in 1979.

For example, under one of the Census methods for computing non-cash benefits, 38 percent of families with children who would otherwise have been poor were lifted out of poverty by cash and non-cash programs in 1979. Only 24 percent of these families were lifted out of poverty by the programs in 1986.

Among the reasons that the decline in the anti-poverty impact of government benefits programs is larger when non-cash programs are included is that a number of the non-cash programs themselves were cut significantly, along with the cash benefit programs.

All Program Areas Show Lessened Impact

The analysis of the Census data shows that in nearly every program area, the anti-poverty effectiveness of government programs has diminished in recent years:

- In 1979, Social Security lifted out of poverty 10.3 percent of the families with children who would otherwise have been poor without any government benefits. Only 6.2 percent of these families were lifted out of poverty by Social Security in 1986.

- In 1979, cash benefit programs other than Social Security (including AFDC, Supplemental Security Income, and unemployment insurance) lifted out of poverty 9.6 percent of the families with children who were poor after all other income and any Social Security benefits were counted. In 1986, these programs lifted only 5.3 percent of these families out of poverty.

- In 1979, food and housing benefits (food stamps, school lunches, and subsidized housing) lifted out of poverty 20.6 percent of the families with children who were poor after all cash income, including cash benefits, were counted. In 1986, only 12.9 percent of these families were lifted out of poverty by food and housing programs.

The decline in the anti-poverty impact of these programs has been especially marked for female-headed families with children. The proportion of poor female-headed families with children lifted from poverty by the programs was cut nearly in half between 1979 and 1986.

Some 37 percent of the increase since 1979 in the number of poor female-headed families with children (and approximately 60 percent of the increase in poverty if non-cash benefits are counted) would not have occurred if government benefits had continued to lift out of poverty the same proportion of these families as in 1979.

The data show especially large reductions in the impact of the programs both from 1979 to 1980 -- when inflation substantially outdistanced benefits -- and from 1981 to 1982 -- following the first round of Reagan budget cuts, when programs for low income families were subject to a disproportionately large share of the cuts and when unemployment insurance coverage and Social Security benefits for several categories of families with children were also reduced.

September 2, 1987

THE DECREASING ANTI-POVERTY EFFECTIVENESS OF GOVERNMENT BENEFIT PROGRAMS: 1979-1986

Methodology and Findings

This analysis examines the anti-poverty effectiveness of cash and non-cash benefit programs from 1979 to 1986. The analysis focuses on the impacts of these programs on families with children, the group whose poverty rate has risen most rapidly since 1979 and on whom the current debate on welfare reform is focused.

Methodology

Census data published for each year since 1979 indicate how many families would be below the poverty line if various types of government benefits were not received. The Census tables contain:

- the number of families for each year whose cash income -- without any government benefits -- is below the poverty line;
- the number of families whose income from non-government sources and from Social Security -- but without any other government benefits -- falls below the poverty line;
- the number of families whose total cash income, including all government cash benefits, is below the poverty line (this is the Census Bureau's "official" definition of poverty);
- the number of families whose income falls below the poverty line if all cash income (including government cash benefits) is counted and if the value of food and housing benefits is also counted; and
- the number of families whose income falls below the poverty line if all cash benefits as well as food, housing, and medical benefits are counted as income.

From these data, an analysis can be conducted of the anti-poverty effectiveness of various benefit programs and how the effectiveness of the programs has changed since 1979. For example, the effect of Social Security benefits on poverty can be seen by comparing the number of families who would be below the poverty line if they did not receive Social Security with the number who are poor after Social Security benefits are received. The difference between these two numbers represents the *number* of families lifted out of poverty by Social Security. Similarly, the *percentage* of families who would have been poor without Social Security, but who are lifted out of poverty by Social Security, can also be computed.

All data used in the analysis are from the Census Bureau's non-cash benefit reports for the years from 1979 and 1985 and from unpublished Census tables for 1986. These data are compiled in tables at the back of this report.

Poverty under five different income concepts is shown in these tables. The "Number of Poor Families Before Transfers" represents the number of families whose total cash income, except for governmental benefits, falls below the

poverty line. The "Number of Poor Families After Social Security" represents the number of families whose total cash income from non-government sources, plus their Social Security income, leaves them below the poverty line. The next entry on the table, "Number of Poor Families After All Cash Transfers," shows the number who are poor after all cash benefits (Social Security, AFDC, SSI, unemployment insurance, etc.) are counted, which is identical to the official Census definition of poverty. The fourth entry, "The Number of Poor Families After All Cash Transfers and Food and Housing Benefits," shows the number of poor families after all government cash benefits and government food and housing benefits (such as food stamps, school lunches and subsidized housing programs) are counted. The final entry shows the number of families who are poor if all cash and non-cash benefits, including medical benefits, are valued and counted as income.*

Findings

In 1979, some 5,030,000 families with children had incomes below the poverty line, before government benefits are counted. The data further show that cash benefits (from programs such as Social Security, unemployment insurance, and public assistance) lifted 949,000 of these families out of poverty -- or 18.9 percent of the families who would otherwise have been poor.

By 1986, as Table 1 indicates, the number of families with children who had incomes (before cash benefits) that fell below the poverty line had risen to 6,208,000. Yet while the number of families with below-poverty level incomes was rising, the number of these families lifted out of poverty by government benefit programs was falling. Only 692,000 families, or only 11.1 percent of the families who would otherwise have been poor, were removed from poverty by the programs in 1986.

In short, the anti-poverty impact of the programs diminished while poverty became more severe. Had the programs had the same anti-poverty impact in 1986 as in 1979 -- and had they continued to remove 18.9 percent of these families from poverty -- *then 479,000 fewer families with children would have been poor last year.*

The data also indicate that if government benefit programs had the same anti-poverty impact today as in 1979, then a substantial portion of the increase in poverty among families with children since 1979 would not have occurred. There

---

*In examining increases in poverty associated with the lessened anti-poverty impact of government benefit programs, this analysis assumes that there would not have been significant behavioral changes by poor families (for example, that there would not have been significant reductions in hours worked) if the benefit programs had retained an anti-poverty impact comparable to what they had in 1979. While some reduction in work hours might have occurred if benefits had been at higher levels, research on the impact of benefits on labor supply indicates that this effect would have been small and would not have resulted in large differences from the numbers presented here.

were 1,435,000 more families with children living in poverty (after all cash benefits are counted) in 1986 than in 1979. The decline in the anti-poverty effectiveness of the benefit programs since 1979 accounts for 478,000 more families living in poverty -- or one-third (33.4 percent) of the total increase in poverty among families with children during this period.

Non-Cash Benefits

The data discussed so far cover cash benefits only; the official definition of poverty is based on cash benefits. If a broader definition of poverty is used that includes non-cash benefits, the results are even more striking. These results show that the basic findings in this report cannot be dismissed with arguments that the official poverty data are incomplete because they do not include non-cash benefits.

The Census Bureau uses two alternative approaches to measuring poverty if non-cash benefits are counted -- the "recipient value" method and the "market value" method. Both are experimental methods which have been subject to criticism and which the Census Bureau is likely to revise in the future.

Under the recipient value method, 37.7 percent of families with children who would otherwise have been poor were removed from poverty by cash and non-cash benefits (including food, housing, and medical benefits) in 1979 (see Table 2). In 1986, however, only 23.9 percent of such families were removed from poverty by these programs. If the programs had removed the same percentage of these families from poverty as in 1979, some 862,000 fewer families with children would have been poor in 1986.

Of particular interest is the fact that when the recipient value method is used, more than half of the increase in poverty since 1979 among families with children (54.0 percent) can be accounted for by the declining anti-poverty impact of these programs.

Under the market value approach, the percentage of families with children that are removed from poverty by government benefits programs was 52.3 percent in 1979, but only 41.6 percent in 1986. Under this method of measuring poverty, the number of families with children living in poverty was 662,000 greater in 1986 than it would have been if the programs had the same impact as in 1979. Here, too, more than half of the increase in poverty since 1979 (54.1 percent) can be accounted for by the declining anti-poverty impact of the programs.

Factors Underlying the Declining Anti-Poverty Impacts

An examination of year-to-year changes in the programs' anti-poverty impacts provides a good indication of several factors that have contributed to the programs' declining effectiveness: specifically, the failure of states to increase benefits to keep up with inflation and federal budget reductions during the early 1980's.

During the 1979-1986 period, benefit levels set by states in the Aid to Dependent Children program (AFDC) have lagged well behind inflation. Congressional Research Service data show that AFDC benefits for a family of four

with no other income fell 18.5 percent during this period in the typical (or median) state, after adjustment for inflation. The greatest benefit lags appear to have occurred during the period of highest inflation in 1979 and 1980. Not surprisingly, the data show that one of the two largest year-to-year drops in the anti-poverty effectiveness of the programs came between 1979 and 1980.

The other largest year-to-year drop came between 1981 and 1982, precisely the period when the large federal budget cuts enacted in 1981 took effect. Significant reductions in the anti-poverty effectiveness of all categories of programs -- from Social Security to non-cash benefits -- are reflected in the 1981 to 1982 period. (Note: Among the cuts enacted in 1981 were reductions in Social Security benefits for certain categories of families with children.)

From 1982 to 1983, there was an additional reduction in the anti-poverty impact of cash benefits programs other than Social Security and of food and housing benefits. During this period, additional reductions were made in AFDC, food stamps, and unemployment insurance programs, among others.

Since 1983, few if any further reductions have been made at the federal level in low income benefit programs, and modest restorations have been made in several of the programs such as AFDC. In addition, AFDC benefits rose in real dollars (i.e., after being adjusted for inflation) for the first time in a decade in 1985. The data show a slight increase in the anti-poverty effectiveness of the programs from 1983 to 1985, with the level of anti-poverty effectiveness in 1985 being about the same as in 1982. The data then show a reduction in anti-poverty effectiveness again in 1986, with the 1986 figures falling between the 1984 and 1985 levels.

It also bears noting that from 1979 to 1986, the percentage of the unemployed receiving unemployment insurance fell from 42 to 33 percent.

The data also provide an explanation of why the declines in the anti-poverty effectiveness of the programs are greater when non-cash benefits are counted. First, non-cash benefit programs were subject to budget reductions, along with most of the cash benefits programs. Second, the shrinkage of both cash and non-cash benefits meant that families who had been lifted above poverty by a combination of cash and non-cash benefits were now significantly less likely to be boosted over the poverty line by the combined benefit package.

Several additional factors also appear to have contributed to the lessened anti-poverty impact of the programs. There appears to have been an underlying trend in the economy that has resulted in the non-benefit incomes of many poor families falling farther below the poverty line, probably as a result of such factors as longer average spells of unemployment and declines in real wages (real wages were lower in 1986 than in any year in the 1970's). It appears that for some families, their non-benefit income may have declined to the point where, even after being supplemented by government benefits, it no longer brings them to the poverty line.

In addition, increases in the number of poor single-parent families with children may be a factor. Single-parent families with children typically have lower incomes than other poor families with children. Even though they are more

likely than other poor families to receive government benefits, their incomes often are so low that even after receipt of benefits, they still fall below the poverty line.

Changes in Individual Programs

The data reveal that in nearly every program area, the anti-poverty effectiveness of government benefit programs has diminished:

- In 1979, Social Security lifted out of poverty 10.3 percent of the families with children who would otherwise have been poor without any government benefits. Only 6.2 percent of these families were lifted out of poverty by Social Security in 1986.

- In 1979, cash benefit programs other than Social Security lifted out of poverty 9.6 percent of the families with children who were poor after all other income and any Social Security benefits were counted. In 1986, these programs lifted only 5.3 percent of these families out of poverty.

- In 1979, food and housing benefits (food stamps, school lunches, subsidized housing) lifted out of poverty 20.6 percent of the families with children who were poor after all cash income, including cash benefits, were counted. In 1985, only 12.9 percent of these families were lifted out of poverty by food and housing programs.

Female-Headed Families Especially Hard Hit

The group hit most severely by the decline in the anti-poverty effectiveness of government programs has been female-headed families with children. The anti-poverty impact of both cash and non-cash benefit programs declined more for female-headed families with children in the 1979 to 1986 period than for other families with children.

Some 36.5 percent of the increase in poverty since 1979 among female-headed families with children (and approximately 60 percent of the increase in poverty under measures of poverty that include non-cash benefits) would not have occurred if the programs had as large an anti-poverty impact in 1986 as in 1979 (see Table 3).

Some 318,000 fewer female-headed families with children would have been poor last year if cash benefit programs had lifted the same percentage of these families out of poverty as in 1979.

TABLE 1

ANTIPOVERTY EFECTIVENESS OF CASH AND NONCASH TRANSFERS
FOR ALL FAMILIES WITH RELATED CHILDREN UNDER 18
1979 TO 1986

	1979	1980	1981	1982	1983	1984	1985	1986
NUMBER OF POOR FAMILIES (000'S)								
Before transfers...	5,030	5,717	6,088	6,455	6,538	6,350	6,321	6,208
After Social Security...	4,513	5,214	5,580	6,008	6,092	5,939	5,881	5,822
After all cash transfers...	4,081	4,821	5,191	5,713	5,849	5,662	5,586	5,516
After all cash transfers and food and housing benefits... 1/	3,242	4,000	4,439	4,977	5,178	4,960	4,857	4,804
After all cash and all noncash transfers...2/	3,132	3,908	4,373	4,903	5,095	4,877	4,800	4,727
NUMBER OF FAMILIES '000'S) REMOVED FROM)VERTY DUE TO:								
Social Security...	517	503	508	447	446	411	440	386
Percent...	10.3%	8.8%	8.3%	6.9%	6.8%	6.5%	7.0%	6.2%
All cash transfers other than Social Security 3/	432	393	389	295	243	277	295	306
Percent...	9.6%	7.5%	7.0%	4.9%	4.0%	4.7%	5.0%	5.3%
All cash transfers...	949	896	897	742	689	688	735	692
Percent...	18.9%	15.7%	14.7%	11.5%	10.5%	10.8%	11.6%	11.1%
Food and housing benefits...4/	839	821	752	736	671	702	729	712
Percent...	20.6%	17.0%	14.5%	12.9%	11.5%	12.4%	13.1%	12.9%
All cash transfers and food and housing benefits...1/	1,788	1,717	1,649	1,478	1,360	1,390	1,464	1,404
Percent...	35.5%	30.0%	27.1%	22.9%	20.8%	21.9%	23.2%	22.6%
All cash and and all noncash transfers...2/	1,898	1,809	1,715	1,552	1,443	1,473	1,521	1,481
Percent...	37.7%	31.6%	28.2%	24.0%	22.1%	23.2%	24.1%	23.9%

TABLE 1 (cont.)

Notes

1/ Food and housing transfers valued under market value method.

2/ All noncash transfers (which includes medical care) valued under recipient value method.

3/ These figures reflect the number and percentage of families with children who were poor after all non-benefit income (i.e., income from sources other than government benefits) plus any Social Security income is counted, but who are lifted out of poverty when other cash benefits (i.e., cash benefits other than Social Security) are taken into account. For example, in 1986, 5.82 million families with children were poor after Social Security benefits were accounted for. Of these 5.82 million, 306,000, or 5.3% were lifted above the poverty line by other cash benefit programs.

4/ These figures reflect the number and percentage of families with children who were poor after all cash income, including all cash government benefits, was counted (i.e., who were poor under the official definition of poverty) but who are lifted above the poverty line when food and housing benefits are counted as income and taken into account. For 1986, 5.52 million families with children were poor after all cash benefits were accounted for. Of these 5.52 million, 692,000, or 11.1%, were lifted above the poverty line by food and housing benefits.

Source: Bureaus of the Census; Technical Paper 51, Tables 2,4,5,7, 8,10,11, and 13; Tech. Papers 52, 55, Tables 2 and 4. 1986: Unpublished Census Tables 2 and 4.

TABLE 2

ANTI-POVERTY EFFECTIVENESS OF CASH AND NON-CASH TRANSFERS
FOR ALL FAMILIES WITH RELATED CHILDREN UNDER 18, UNDER ALTERNATIVE WAYS
OF MEASURING NON-CASH BENEFITS

	1979	1980	1981	1982	1983	1984	1985	1986
	(in thousands of families)							
Number of poor families after cash and non-cash benefits								
Market Value Approach	2,400	2,959	3,437	3,908	4,043	3,888	3,673	3,624
Recipient Value Approach	3,132	3,908	4,374	4,903	5,095	4,877	4,800	4,727
Number of poor families removed from poverty due to all cash and non-cash benefits including Social Security								
Market Value	2,630	2,758	2,651	2,547	2,495	2,462	2,648	2,584
Percent	52.3%	48.2%	43.5%	39.5%	38.2%	38.8%	41.9%	41.6%
Recipient Val	1,898	1,809	1,714	1,552	1,443	1,473	1,521	1,481
Percent	37.7%	31.6%	28.2%	24.0%	22.1%	23.2%	24.1%	23.9%

Source: Bureau of the Census; Technical Paper 51, Tables 2,4,5,7,8,10,11,13; Tech. Paper 52, Tables 2 and 4; Tech. Paper 55, Tables 2,4; 1986: Unpublished Census Tables 2 and 4.

Table 3

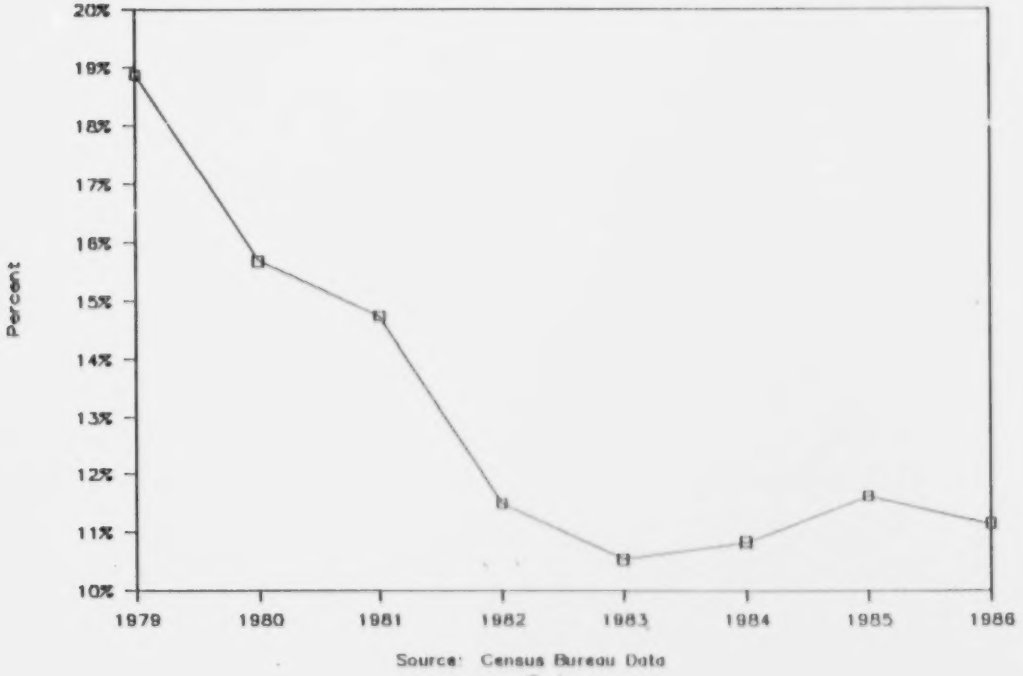
ANTI-POVERTY EFFECTIVENESS OF CASH AND NONCASH TRANSFERS
FOR FEMALE FAMILIES WITH RELATED CHILDREN UNDER 18
1979 TO 1986

	1979	1980	1981	1982	1983	1984	1985	1986
NUMBER OF POOR FAMILIES (000'S)								
Before transfers...	2,938	3,168	3,329	3,423	3,492	3,475	3,501	3,618
After Social Security...	2,693	2,922	3,109	3,234	3,255	3,298	3,303	3,457
After all cash transfers...	2,392	2,703	2,877	3,059	3,118	3,124	3,131	3,264
After all cash transfers and food and housing benefits... 1/	1,801	2,178	2,385	2,599	2,672	2,648	2,651	2,772
After all cash and all noncash transfers...2/	1,746	2,128	2,387	2,585	2,676	2,653	2,637	2,763
NUMBER OF FAMILIES (000'S) REMOVED FROM OVERTY DUE TO:								
Social Security...	245	246	220	189	237	177	198	161
Percent...	8.3%	7.8%	6.6%	5.5%	6.8%	5.1%	5.7%	4.4%
All cash transfers...	546	465	452	364	374	351	370	354
Percent...	18.6%	14.7%	13.6%	10.6%	10.7%	10.1%	10.6%	9.8%
All cash transfers and food and housing benefits...1/	1,137	990	944	824	820	827	850	846
Percent...	38.7%	31.3%	28.4%	24.1%	23.5%	23.8%	24.3%	23.4%
All cash and noncash transfers...2/	1,192	1,040	942	838	816	822	864	855
Percent...	40.6%	32.8%	28.3%	24.5%	23.4%	23.7%	24.7%	23.6%

1/ Food and housing transfers valued under market value method.
2/ All noncash transfers (which includes medical care) valued under recipient value method.

Source: Bureau of the Census, Technical Papers 51, 52, 55: Tables 2 & 4.
1986: Unpublished Census Tables 2 and 4.

PERCENTAGE OF POOR FAMILIES WITH CHILDREN LIFTED FROM POVERTY BY CASH PROGRAMS



Source: Census Bureau Data

Chairman MILLER. And thanks to all of you who agreed to be members of this panel and to share your thoughts with us.

You range between the emotions of depression and rage in the testimony that you have given us this morning. I think we experience depression when you know or you can pretty well predict what this Government is going to do with respect to this problem over the next fiscal year in deciding the budget. It probably will be proclaimed as a success if we simply do nothing more than put it all into a holding pattern. That means, Richard, you're going to put your education on hold. That means, Ms. Fields you're going to put your effort to find permanent housing on hold and, Mrs. Hudson, you're not going to be able to help many more parents who are just like you who you want to provide a shovel to.

And then rage, I think, when you compare the testimony that you have given us with the answer that the President of the United States gave the Nation last night when asked whether improvements had been made in the situation of the homeless. He obviously didn't know, he obviously didn't care enough to find out before the press conference. And the answer is, in fact, no. Now, they went through a lot of gibberish about how he was making each dollar go further and more people were being served and more was being done with less. They had the Hamburger Helper approach to this, you know, to make it all go further and yet there's no evidence of that in any of your testimony. There is no evidence of that in the CBO report for families that are in trouble. And certainly your testimony, Mr. Greenstein, and the CBO report this morning suggest what we're really going to do in the future about this problem is simply to create more people in this situation because we're going to have more poor families. Younger families are going to start out in a deeper hole, to use your story, in a deeper hole with more difficulty of getting out and more children are going to be residing in families at risk than currently occurs today. That indictment usually gets you charged with some kind of criminal behavior, but I guess it won't in the halls of Congress. But it should.

When I visited the Martinique nearly 5 years ago and walked through the halls and talked to a number of residents there and spent time with their children and with the families in their rooms—where each time we knocked on the door you could hear this scurrying around in the room, but you could smell something being cooked but when you walked in nothing was being cooked—we were assured by the city that this was all temporary, that this was an emergency and that this would all be done away with because this had something to do with the economic downturn. And yet again, we continue to see the President proclaim the longest economic upturn in postwar history and the Martinique—you can respond to this, Mr. Kozol, but there doesn't appear to be any evidence even with the agreement to phase it out over five years that that hotel will disappear from the welfare face of that city. I don't think there's any evidence that that's going to occur.

Mr. KOZOL. May I comment on that briefly? Yes. When I first visited two years ago, I was prepared to take seriously the phrase temporary emergency shelter.

Chairman MILLER. And you thought they were doing something good, remember?

Mr. KOZOL. Yes, I did at first. For a few hours. But after staying there through Christmas and New Years and through that winter and the next Thanksgiving and the next Christmas and now another, and having seen families that were there 2 years when I met them, and in some cases have now been there over 4 years and having seen previously intact families, families that were healthy and lived up to all our American optimism about traditional families and have now disintegrated because of the sheer force of misery in that building, I realize it's not temporary. This is a new institution. This is Charles Dickens' poor house reconstituted in 1988 only with this important difference that this time the poor house is being run for private profit. I think, you know there's one point which, you know, perhaps, you spoke of the problem of knocking on a door and finding that people were cooking in the room but afraid to open the door probably. Two quick points about that.

It sounds petty, but it's not a small detail because it's symptomatic of the way people are put into a maze of impossible rules which they cannot help breaking. They're brought to the hotel and they are handed a piece of paper telling them that you can't cook in a hotel. And that's probably against the law, I guess. Against the fire code of New York. That's probably true in most cities. They're then given by the city of New York something which is officially called a restaurant allowance, but when they're asked they are told don't use it in a restaurant. Even their social workers will tell them that. If they're honest, they'll say don't use it in a restaurant. If you do, you'll starve because it'll be gone in a few days and it's for two weeks or a month.

So, what do they do? Sooner or later a decent social worker says to them, "Listen, don't take this city seriously." This is the HRA in New York City. "Don't take the HRA seriously. This word restaurant allowance, that's from George Orwell. They don't mean restaurant. The restaurant allowance means don't use it in a restaurant." And after they swallow that, they say, "Well, where do I use it?" No, it means go to a grocery store and buy a hot plate and cook illegally in your room.

Once or twice a year—is it twice a year they send inspectors around? Twice a year the hotel—this is one of 60 such hotels in New York. The hotel hands out to the residents a piece of paper which again says to them, this is to remind you you're not allowed to cook in your room. And at the same time they hand out garbage bags, is that correct? Plastic garbage bags in which to hide their hot plate. The next day the inspector comes around, health and fire and so forth. The health inspector studies the building but never sees the lead paint in the walls which, however, doctors see when they test these children and find them poisoned, some cases brain damaged.

The fire inspector comes and doesn't see the sign on the 14th floor that says that the fire alarm doesn't work. There will be——

Chairman MILLER. Let me interrupt you just for a second.

Mr. KOZOL. And that punishes the family because if something goes wrong, they pay the price for it.

Chairman MILLER. I'd just like to yield to Mrs. Boggs who is going to have to leave to go, ironically, to a HUD hearing.

Mrs. BOGGS. Mr. Chairman, Thank you so much for yielding. I must attend a HUD appropriations subcommittee hearing, as Mr. Green is required to do. Thus I will be leaving this hearing. I want to thank all of you for allowing me to go that meeting well armed with pertinent information that I hope will be useful in helping to solve some of your problems.

And, Richard, I thank you especially for coming to be with us today.

Chairman MILLER. Bob, you have presented the testimony but you've also been, I know, working with members of the Budget Committee over the last week or so on what's going to happen within the domestic budget. And I'm being told, and it appears to some extent, that the fix is in for the moment here—that we will not be able to provide really any new monies above, or even the possibility of maintaining, current services in all these programs because we have a slight problem in the domestic side of the budget. That is, most of the NASA component, which is military, is going to be coming out of the domestic side of the budget and they need an additional $2 billion to build this home in space for the astronauts. Therefore, we're going to be limited to trying to get current services. Am I accurate in what I am being told by budget committee staff and others in the hearings?

Mr. GREENSTEIN. I think the problem is even worse than that.

Chairman MILLER. Oh.

Mr. GREENSTEIN. As you know, under the terms of the budget summit agreement, the total amount of funding for domestic discretionary programs goes up about 2 percent, that's only about half of inflation. And under that you have everything from a Federal pay raise to increases in other areas that may be requested.

Now, the total increase allowed in budget authority under the summit agreement, I think, is about $3 billion. I think there may be room for a little more because we didn't quite use up the full amount last year, but not much more. Maybe it's $4 billion.

The increase requested in NASA budget authority alone is $2.6 billion. That would use up three-fifths, two-thirds, whatever, of the total that would be available. That's before you even factor in pay increases. I doubt, especially this year, Congress is going to freeze federal pay while inflation is running at four percent. That comes out for domestic areas of the government. It's going to come out of the same total spending cap as well.

So the problem is going to be very intense. Then there's a further problem. As you know, Mr. Chairman——

Chairman MILLER. Bob usually brings us good news this time of year, for those of you who don't know him.

Mr. GREENSTEIN. As you know, in the past years what the House Budget committee has done is taken a list of low income programs, sometimes called the Williams List, and put them at current services and then in addition to that it has done a children's initiative of which you have been the leader and put some key low income children's programs above current services. This year, to start with, because of technical changes in how the current services baseline is estimated under the Gramm-Rudman Act, current serv-

ices doesn't really give you last year's operating levels and programs for the homeless. This is specifically a homeless issue. What happened was in the housing programs for the homeless you appropriated $195 million for housing programs for the homeless after the McKinney Act was passed, so you didn't appropriate it until last summer in a supplemental bill. It was 1987 money, but it's being spent in 1988.

There's another $73 million in 1988 appropriations for these four housing programs for the homeless. The result is, HUD's own figures, you can look at their budget book that came out last week, there is a program level of $250 million in fiscal '88 for these four programs. For 1989 the Administration proposes to terminate three of the four programs and request $75 million for the fourth. When you compare it to the CBO current services baseline, the current services baseline is only $75 million for all four combined. Why? Because there was $73 million in '88 money, the other $195 million is technically '87 money even though it's part of the '88 operating level. So if you're——

Chairman MILLER. You should listen closely to this, Ms. Fields, because all these 1988, 1987 distinctions, they don't make a damn bit of difference to you. You're going to just continue to live in the Martinique Hotel is what he's telling you.

Mr. GREENSTEIN. What this means is even if you do full current services for the housing programs for the homeless, you end up with a two-thirds cut in the operating level from 1988 to 1989. So it's going to be excruciating, but I—you know, my view, I agree with you. There is no way that you can even maintain last year's operating levels and provide the kind of increase requested for the space programs at the same time. Congress is going to have to make choices. You can't do both and fit within the budget summit agreement unless you want to abrogate the summit, which I don't hear much interest up here in doing.

Chairman MILLER. Mr. Kozol, you make a point in your testimony, and I had the opportunity to listen to one of your interviews and lectures, and Ms. Fields, you sort of bear this out. Your decision to leave home was that you had an abusive situation with respect, I don't know this but I assume to yourself and to your children or one or the other. And you apparently made the decision that that situation was so intolerable that you packed up and left. And as I read your testimony, the response when you got to the other end at the EAU was don't tell anybody you're working.

Ms. FIELDS. That's right.

Chairman MILLER. Because we can't help you if you're working. And Ms. Hudson, in your testimony you and your husband have worked all of the time that you have been married and what you're telling us is that when you were all done at the end of the year instead of just being poor, you're the working poor.

Ms. HUDSON. Can I make a statement on that?

Chairman MILLER. I don't think I'd try to stop you.

Ms. HUDSON. It's sort of funny. See, my husband's self employed and I work for Appalachian Communities for Children. We've worked all year and we've done real good with our five kids. We kept them fed and we didn't ask the government to give us—no nothing, you know. We've done real good. Now it's tax time and

you all is going to penalize us because we're going to have to borrow money to pay our taxes. We've went in the hole. And a system where you can't provide—I can't give my children—I've got children need glasses and need their teeth worked on and I ain't got the money to do it. And I'm too poor to afford medical insurance and I'm too rich to get a medical card. You got me between a rock and a hard place. I can't do for my children like they deserve and that's—here, you can have it back.

Chairman MILLER. But, Mr. Kozol, on this point it's sort of like this administration believing that AIDS is only a homosexual problem and they don't have to deal with it. There has been a great deal of effort to try to suggest that the homeless is only a mental health problem and these people may really want to live on the streets and don't desire care, but after all they're simply not stable individuals. You make the point that most of the people that have entered this system or entered the welfare hotels prior to doing so were in a very stable situation in terms of work, and their families being intact. And I would just add that, in my district, the Richmond Rescue Mission is no longer dealing with just the question of people coming in and living for the night and getting the meal and then spending the day on the streets. We're now building dormitories for intact working families.

Mr. KOZOL. What district is that? In California?

Chairman MILLER. Yes.

Mr. KOZOL. It's extraordinary.

Chairman MILLER. One of the wealthiest counties in California.

Mr. KOZOL. I just saw a 38 day old homeless child in Los Angeles about a week ago. A young mother, a young father who was working two jobs at minimum wage couldn't pay the rent and a 38 day old baby in Los Angeles.

Just a quick answer to your point about the tendency to think well these people must be mentally ill or something like that. If there is insanity at stake, there's a bit of government municipal insanity in spending $2,000 a month for—I mean truly, not meaning to be disrespectful, but when I hear the mayor of New York speaking at, you know—may be mentally unwell, I'm curious about the sanity of an Administration that will spend $2,000 a month to keep people in a—like the Martinique Hotel and won't spend $500 to let a healthy—determined woman like Mrs. Fields live in a normal——

Chairman MILLER. When I went to the Martinique I remember meeting a woman there with her family and I don't know if the figure was $1500, $2000 or $2500 a month. And, you know, so often is the case, she said, "Look, give me the $2500 a month, I'll go to Long Island and you'll never see me again."

Mr. KOZOL. Absolutely.

Chairman MILLER. You know.

Mr. KOZOL. That's right. Actually, for what we spend every three years to keep a family in the Martinique Hotel we could buy them a nice home in upper New York state. There must be some reason we want to keep them there.

Chairman MILLER. Well, you're more cynical than that because you have a suggestion in your discussion that it's even become such

a cynical debased system that some of that money is now showing up in city officials' and State officials' campaign coffers.

Mr. KOZOL. Yes. And I'd like to be very cautious about this because, you know, that may not be illegal, but there's a striking shortage——

Chairman MILLER. We're not dealing here with legality.

Mr. KOZOL. But illegal or not it's bizarre—about 8 years ago the city of New York owned a building which is now used as one of the welfare shelters. It's called the Jamaica Arms. It's in Queens. It owned this building six or eight years ago. It sold it to private realtors for $75,000. Today, a few years later, we, the taxpayers, pay a private hotel owner of that building $1.2 million every year to house a couple of 100 homeless children.

Chairman MILLER. The President said last night that he's keeping track of the extent to which the private sector is joining in helping on this, so——

Mr. KOZOL. Yes. The Jamaica Arms Hotel in New York City is a wonderful example of the magic of the marketplace. It's certainly magic for the owner of that building.

The point you made about people being employed I think is a stunningly important point. I mean here is Mrs. Fields who is forced to stop working in order to qualify for shelter in New York City. And then we complain that poor people are lazy.

Chairman MILLER. Mr. Coats?

Mr. COATS. Mr. Kozol, I'm not on the Housing Committee or the Budget Committee. And I have some ignorance about some of the details of the federal programs.

What I'm hearing here this morning is an indictment of the people running the programs and I think probably some of that's justified. But I'm confused as to whose making what decisions. There's an interchange here between the New York city administration, Mayor Koch and President Reagan. Who makes the decisions? You know, the testimony was present that the rent is so enormously expensive, but welfare picked up the cost.

Mr. KOZOL. That's right.

Mr. COATS. And there's no question that whether it's Mr. Miller or myself or anybody else in Congress given the budget difficulties we face, we would rather pay $500 a month for the kind of housing you suggest is appropriate than $2,000 a month for something that's obviously inappropriate. Who is making the decision where these people stay, what the policies are, whether or not they can cook in the room and so forth? Is President Reagan making it?

Mr. KOZOL. No. In all fairness, if you want to sort responsibility here, it seems to me the White House bears heavy responsibility for the fact that there's no longer affordable housing for poor people—the secondary point is so long as we do need to have a shelter system in a city like New York, the Mayor of New York is certainly responsible for electing to place 12,000 children in squalid circumstances in which none of us would permit our own children to be housed.

Mr. COATS. Are you saying there are not enough funds?

Mr. KOZOL. That's right.

Mr. COATS. To provide sufficient housing, and the amount of funds that are there are not being administered well.

Mr. KOZOL. Yes, that's correct. As a matter of fact, the funding that does exist, although it would not be—could certainly provide far more humane shelter if it were not for the punitive agenda which prevails in cities like New York.

Mr. COATS. But those decisions are made by the city officials of New York, not Washington?

Mr. KOZOL. Yes, they are.

Mr. COATS. Decision to pay $2,000 a month for rooms rather than $500 is made by New York City, not Washington. This money in your opinion could actually provide four times as much housing and would be far superior to their current situation. This is not a Washington decision, isn't this a New York City decision?

Mr. KOZOL. It is. The city would probably reply, the mayor might reply, though I would hesitate ever to put words into the mouth of Mayor Koch, but the mayor might reply that at present the way the shelter rules work the Federal government pays half of that monthly bill. The Federal Government pays 50 percent of the $2,000 that we spend each month at the Martinique. And the Mayor might point out that the state pays another quarter and the city ends up paying only $500 of that $2,000. Unfortunately, that won't be much consolation to the rest of the taxpayers in the United States because sooner or later we all pay for it. But even at the $500 that the city pays out of that $2,000, is $200 more than the city will pay to allow that family to rent a normal apartment.

Mr. COATS. I guess what you're saying is there's enough blame to go around for everybody. It shouldn't just fall on one segment. Perhaps we all need to look at it. Perhaps we in Congress need to accept some of the——

Mr. KOZOL. With the reasonable exception, I think, that the White House—when the White House cuts——

Mr. COATS. I'm not letting them off the hook, Mr. Kozol. You've made your point very eloquently and I don't disagree with that. I'm simply saying let's make sure for the record that we make the point that a lot of these policies are made by the city of New York as to how the money is spent, what the rules are, what the eligibility criteria are. You're suggesting, and I don't disagree with it, perhaps a far superior way for the city of New York to make decisions that will provide better housing for more people.

Mr. KOZOL. I think that's correct. I think in this case the specific tragedy that I've described in New York, the fate of these 12,000 homeless kids, is attributable on the one hand to the complacent ignorance of the President and on the other, to accumulative—of Mayor Koch in New York City.

Mr. COATS. I'm wondering, Mr. Greenstein, you cite a number of interesting statistics. The Census Bureau report, and I think I have it here, states that a lot of the problem we're facing is due to changes in family composition. Let me see if I can quote those statistics for you. A change in family structure is the single new cause of poverty. Not the only cause, certainly, but the single new cause especially among children. There's been an increase of 4.6 million people who are considered poor due to this fact. In 1959 less than one quarter of all poor children lived in single-female headed families but in 1986 56.6 percent of poor children lived in single-female headed families.

Could you comment and give me your perspective on that?

Mr. GREENSTEIN. As I mentioned, there are really three major factors going on here. There are underlying economic trends, there are demographic trends, as you've just referred to the increase in single-parent families, and also changes in Government policies. Now, as with so many other kinds of analysis of Census data, the year that you use as your starting point effects the relative weight.

If you look at the period from 1960, 1959 I think you mentioned, to the present, you find a very large increase in single-parent families. What is striking, though, and I think that the data are very solid on this and, in fact, as much of it comes from analysts who were regarded as conservative analysts as those regarded as liberal analysts, there's pretty much agreement in the analytical community that the period of the greatest feminization of poverty, as it's called, was the 1960s and the 1970s. What's interesting is that during the period that poverty became feminized, overall poverty rates were going down in the 1960s and then staying level in the 1970s. Now, had we not had as big an upsurge in female headed families during that period, poverty would have gone down much more.

During the period from 1978 to the present when poverty has gone up, poverty stopped becoming more feminized. If you look at the straight Census figures, the percentage of poor people who live in female headed families is about the same in 1986 as it was in 1978, although the overall poverty rates are much higher.

There was an analysis that the Institute for Research on poverty did using the Census tapes and they found that from 1978 or 1979, I forget which was the first year, to 1985, and I hope they'll soon update this for 1986, that for every person added to the poverty rolls in a single-parent family, there were two people added to the poverty rolls in a married couple family.

The final thing I would note is each year in the very important book that is published by the Ways and Means Committee called "Background Information on Programs Under the Jurisdiction of the Committee on Ways and Means" there is an analysis in which CBO actually generates a lot of the data for this analysis where the economists on the committee staff are able to look at the increases in poverty over a period of time and the relative factors contributing to them. And again, it appears that during the period since 1978, that period when poverty had risen so much, that demographic factors seem less important than the changes in government benefits or economic policies. I think what analysis have generally found whether it's the Institute For Research on Poverty, the Urban Institute, the Ways and Means book is that for female headed families perhaps the largest cause of increase in poverty during this period has been the changes in the government benefits.

For the two-parent families the major cause of the increase in poverty during this period has been economic, number of years of high unemployment, wages not keeping up with inflation.

But I don't want to by saying this indicate that the demographic changes are not important. They certainly are. But their period of greatest importance, interestingly, was 1960 to 1980, even more so than at present.

Mr. COATS. If I could follow up with another question Mr. Greenstein. This Committee last May issued a report titled "Federal Program Affecting Children" and identified 125 programs designed to address the problem of poverty. Putting aside the question of the total funding and the adequacy of that total funding, we've got 125 programs out there dealing with these problems of poverty. What should we do? Scrap the system? Obviously it isn't working as well as we had hoped. Our options, I guess, are to leave the present programs in place and try to increase funding. I mean something's not working. So put more money into existing programs, or scrap the whole thing and start over. Let's take that whole bundle of money and say how can we restructure a new system or examine those 125 to find out which ones are really doing the job and which ones aren't. Scrap the ones that aren't working and modify the ones that are partially doing the job and really support the ones that are doing the job.

What approach would you recommend to us in dealing with this? It's mind boggling for me to even comprehend how all these 125 interact, fund, assist, and work.

Mr. GREENSTEIN. I think that most of the 125 are relatively small programs that deliver particular kinds of services. Many of them I'm not that familiar in detail with exactly what they're doing, but I think they're small enough that while a number of them could be improved and a number of them need more funding, I don't think we're going to make a huge difference in a lot of those smaller programs by doing something a little differently one way or the other.

I think there are some larger scale things that we can look at that are hard to do. To me we've really got two issues, you know. We all say we want to help these families become more self sufficient and work, have jobs and so forth. I don't think we should ignore the fact that there are also basic issues like benefit levels which have eroded and health care and so forth. I don't think it's one or the other. I think we need to do both. But the problem we've had with our poverty programs over the last couple of decades is we know better—we really have made some dramatic improvements despite recent slowing in things like infant mortality compared to 20 years ago. Since we instituted Medicaid, infant mortality rates have gone down dramatically. Despite the hunger problems, indicators in nutrition are better than they were 20/25 years ago before we had things like food stamps. The WIC program is clearly related to reductions in anemia and low birth weight.

We know better how to provide benefits that increase income and provide health care and nutrition than we know how to effectively provide the kinds of services that are successful in helping people break some of these barriers and get into the labor force.

We also haven't tried as hard to do the latter. We haven't really put very many resources into the latter. I think we need to do some of both. I mean I would favor things ranging from adjusting—you mentioned the exception doubling in the Tax Reform Act. I think equally important was the expansion of the earned income tax credit which the President proposed and the Congress on a bipartisan basis also supported. I think we need to go another step there and adjust the earned income tax credit by family size. I think we ought to have a policy that says that if a family with chil-

dren works, particularly if there's a full time year round worker, they ought not to be below the poverty line. And that is going to mean adjusting the earned income credit by family size, in my view, increasing the minimum wage and looking at health care and child care issues. And I think there's one set of packages —I think we focus so much on welfare to work programs, some of which I think can be helpful, but their gains are modest and I don't think we focus enough on the working poor for families with children. And I think that can help.

Then on the other side, we clearly need to do more for the families that are on the public assistance system, to focus more on what we can do to help them become self sufficient. I think that's going to mean investments in basic skills upgrading, not just saying we have a work program where you come in every four weeks and tell us that you've called eight employers and looked for a job, but really upgrading skills. And the last thing I'd mention on that is there's growing evidence that the increase in female headed families, that one of the causal factors here, Dr. Sum has done a lot of work on this, are the decreases in earnings and employment over the years among young men, especially in minority communities. And I think we're going to have to make some basic investments in basic skills, intensive basic skills, for unemployed young men. We've got to look both at the female headed families and at those young men, not just one or the other. But it's a big job.

Mr. COATS. Well, I appreciate your answer on that, and I think, Ms. Hudson, that's what in a sense you were saying as well. You're saying I've made the decision to do everything that I possibly can to lift myself out of this condition, to prepare my children so they won't be in this condition and I need some help along the way to get there.

Ms. HUDSON. That's right.

Mr. COATS. And really what Mr. Greenstein was saying here is exactly the same thing that you were saying.

Ms. HUDSON. Well, you talk about women being the head of the household. Now, I don't know if you know it or not, but a lot of these women in order to get help that they need when their husband gets unemployed, they have to say get out, honey. I need help for my children to feed them and as long as you're in the household, I can't get it. So they automatically become the head of the household when they run their husbands off. And that's no way for a woman to have to get what she needs. But, like I said, a woman will do a lot for her children.

Mr. COATS. Well, they sure can when they have the spirit and the commitment that you have. And I appreciate hearing that this morning.

And I'll just close on that point. When we flip over to the public housing side, try to do some work in this area and successful in the housing bill and getting some language in there that allowed public housing tenants to gain more control over their destiny. We have some successful models at work here in this country, one of them here in Washington, DC, is a housing project just down the road called Kenilworth/Parkside and others around the country where tenants have been allowed management status. In a sense what they've done, Mr. Kozol, is kick out the authorities and say we

want to determine some of our own destiny here. We want to set up some of our own resident management councils to run the project, make the rules, decide whose eligible, and decide what the standards are. They've done some remarkable work in that regard, and I've proposed two additional pieces of legislation in this Congress which I hope will be adopted to further that prospect. This legislation will provide funds for training and move the Department of Housing and Urban Development in a direction toward giving tenants more say in the solution of their problem. "By golly, we want to do everything we can to get out of this situation. We want you to make it so that we can get out of it and leave our children a better opportunity and a better shot than we had." Maybe that's one of the things that we ought to be looking at.

I appreciate the testimony of all the witnesses and the extra time, Mr. Chairman.

Chairman MILLER. Mr. Martinez?

Mr. MARTINEZ. Thank you, Mr. Chairman.

I don't want to get in a major debate about these issues. We're here to take testimony. And I'm not even offering this as a rebuttal to some of the things of the previous speakers. There's something that I need to say. If I don't say it. I'm going to be regretful afterwards.

I guess we have to be proud of the little things we do. Those who are dependent on us, are grateful for whatever little we do do. Never mind whether it's sufficient or not, that doesn't seem to matter. It seems to be that we're proud of our little accomplishments. We can go back to our districts and brag about ourselves and pat ourselves on the back, break an arm in the process and then think that everything's all right and it isn't because there's realities out there. And that's one of the things that this administration has really been great at.

You know, I think this present administration took that old song, "accent the positive and eliminate the negative," and they changed it a little bit. They did accent the positive, but they ignored the reality. And that's the problem.

It's not that the programs we put in place aren't working. There are not clear policy messages sent to that local level. Sometimes if they're going to accomplish anything, they have to introvert the policies from the highest level, the White House. Let me tell you something, one of my colleagues said "never underestimate the power of the bureaucracy." It does have tremendous power because it takes that which we've enacted and sets the regulations for it. And it can easily interpret those regulations anyway it wants. And if you have people in those positions that are not necessarily sympathetic to those people with problems and they're going to act in an adverse way, as if it were their money and as if, people are no good because they come with their hands out asking for money.

Let me tell you something. I was born in 1929, the year of the great stock market crash, and I grew up through a depression with nine brothers and sisters. I lived in a neighborhood that was pretty fully integrated and so I didn't see the difference in ethnic poverty, I saw poverty in general as it effected all those people that lived in that neighborhood. And one thing we all had in common, except for a very few in the neighborhood, is that we were all poor. We

didn't have a hell of a lot. A lot of us had to stand in line. One of the testimonies refers to the shame that a person suffers when he goes to school. I knew that shame. We used to hide our little burritos because the other kids used to make fun of them. Ha, ha, what's that, you know, Mexican food, you know. The kind of degradation we're subject to by those people that are a little more fortunate than we is sometimes shattering to a young person as he's growing up and he grows up with all kinds of inhibitions.

I still have inhibitions that were derived from that childhood of poverty. Fortunately, knock on wood and through the grace of God, I'm where I am now but not because the Government really did that much. We had to do it for ourselves. And some people say, "Well, you grew up in that. You made it, didn't you? Why are you worried about those people? You're a flaming, bleeding heart liberal." You know that's not the truth. The reason I feel that way is because it was so hard and like you I don't want my five kids to have to suffer through that.

Sure, I pulled myself up by my own boot straps. I wish I were so uninhibited that I could make ridiculous statements like that. Your courage, your initiative and your guts is what brought where you are. Only the grace of God brought you to where you are.

You know, Mr. Chairman, I've got to commend the President for the magnificent job he's done in the last 6 years in keeping two of his promises. One, reducing inflation and the other building up the defense. But he didn't do a lot of things that he did promise. He didn't balance the budget, he didn't eliminate the deficit that he called obscene at the time. And although he did get America back to work, which was one of this other promises, he got them back to work for less money, and as a result, pushed people below the poverty level. Let me tell you something: it doesn't hearten me to see people making less money. As chairman of the Employment Opportunities Committee I visited the two counties in Pennsylvania and Ohio which have the highest unemployment rates in the country because of the closing of basic industries there. Those who were making a decent wage of $15.00/$18.00 an hour are now working for $3.35 an hour. Young members of the family work in order to maintain whatever little life style they can rather than go to college. Those are the realities that exist in the United States today that this Administration is ignoring completely. It disheartens me that we sit here in Congress, 435 people on one side and 100 on the other side, and we have acquiesced.

Let me tell you about justice. If we stand by and watch injustice, we're as responsible as the people that are perpetrating it.

Today as a result of bad policies, there are more people living below the poverty level, there are fewer young people getting full educations. The cost of all these steps taken to reduce inflation are at the cost of massive layoffs. That is too great a price to pay. We are ignoring the reality that we are a nation at risk. We might have a militarily strong country, but it's not going to do us very much good if we have a weak and hungry people starving for the better things that were promised.

I don't see that we're a great country having a domestically weak America, hungry and homeless. And I don't see that we're a better America because with all of this we've got ever increasing

social problems that are really a drain on our society. It costs much more to provide for these social problems than it does in the beginning to educate, motivate and push people along in a positive manner. I really believe that there are things that we can do. If we have the kind of commitment that we have to defense to these domestic problems, we would eliminate them. But we don't have that kind of a commitment. It's been defense, defense, defense; forsaking everything else that makes America strong and healthy.

I'm here to tell you that I don't agree with it and many of my colleagues don't agree with it and by golly we're hoping for the better in the coming elections. But that's some time down the road and your problems are more immediate.

I just keep asking myself, because I grew listening to things like, "justice for all, America the beautiful, my country 'tis of thee," wanting to believe in it but seeing a lot of contradiction around me. I still persist in believing it because I believe that when our founding fathers set forth the constitution of this country they wanted us to be a society in which we would care about each other, in which we would take care of each other, in which our brothers and sisters would be our problem and in which every young child would get the fullest education that he possibly could. We were able to fulfill the promise that we would provide opportunity for people so they could have pride in themselves and confidence in the future. I really believe that's where we have to go.

I just ask myself in closing: what happened to that America of freedom and justice for all? What happened to that America the home of the free and the land of the brave? Well, I think it's here, but we've got to work to make it that reality.

And Mr. Chairman, I must commend you for holding these hearings and, I must commend the witnesses for coming forth. I can sympathize with you, Richard, because I can remember a time when I didn't want to go to school either. I didn't want to go to school with those second-hand clothes and those shoes with holes in the soles. I didn't want to go to school where I was made fun of by the other kids because all of my clothes were hand-me-downs. I can remember that shame. It's tough to go there and put up with all of that and still try to accomplish what you want to accomplish, that is, getting a full education so that in the future you can provide more for yourself and your family. Isn't that the American dream; that each succeeding generation would have more than the generation that proceeded it? I think so. But we've got to stop having our heads in the clouds thinking that all these beautiful things are happening when in reality they're not.

So I commend you because for people who have nothing and who have a lack of confidence in themselves because they've never been given the opportunity to be exposed to those things that build positive attitudes it takes tremendous courage to come forward and talk about it. That's the only way—I'm glad the press is here because maybe the press can get this out to the American public. Where some of us are fat, happy and comfortable, there are a whole lot of people out there who are not.

Thank you, Mr. Chairman.

Chairman MILLER. Thank you.

Mr. PACKARD. Mr. Chairman, I too appreciate your holding this hearing, and I appreciate the witnesses and the other panels which are yet to come.

This is the type of a forum that's easy to turn into a partisan bashing session. I'm not sure that will solve problems. I think we recognize we have serious problems in this area. The problems are not new. They did not originate with this Administration. They've been with us for literally decades. And I think our assignment is to try to find solutions to the problem rather than trying to turn it into a platform to vent our emotions.

Let me ask Mr. Greenstein, if I may, a question. It is true that we have significantly more programs to address these problems today than we ever have before and I think it's also true that we're spending billions and billions of dollars more than we ever have before in trying to address these problems. So I think all of us are looking for ways to solve the problems.

I think the most revealing part of your testimony, was that with all the programs that we have initiated and the expenditures that we have made, the programs are not working as well as they used to. I think that the most revealing part of your study is that the antipoverty programs are having less effect on antipoverty now than they have in the past. I'm not sure that I found in your testimony or in your studies why this is the case or any recommendations for changing the existing programs to make them more effective. I think that what was borne out in New York was revealing. We're spending $2,000 or thereabouts per family per month to house them in squalor. Many of us in this room don't spend anymore than that for housing in an entirely different environment. The question then is what are your recommendations to change these ineffective programs to where we're getting at least our money's worth. Then let us look to ways to augment these recommendations. I think there we look at solutions rather than just hammering the problem.

There's no question we're much more aware of the problem now than we've ever been before in America. And that's good. But I'm not sure that we're working together, either on this committee or in our programs in the Congress and certainly not with the Administration to solve the problems. That's where I would like to see us address our attention. And I appreciate from Mr. Greenstein first and then perhaps——

Mr. GREENSTEIN. A couple of observations. We do have more programs than we used to, but that doesn't necessarily mean we're spending more money in the area of poor families and children than we used to. What's really happened over the last couple of decades is we have increased dramatically expenditures on the elderly population, large increases in Social Security benefits in the early '70s, the part of President Nixon's welfare reform plan that passed was for the low income elderly and blind and disabled, the SSI program. But when you look at families with children in terms of basic benefits, the expenditures—the benefit levels have decreased in real terms.

If you take AFDC alone, the Congressional Research Service data show that the benefits have dropped about 31 percent in the typical states since 1970. If you add in food stamps and energy assistance,

you still get a reduction of somewhere in the vicinity of about 20 percent in the basic benefit level over that period.

In the study that we did, what we were trying to look at was apart from the economic questions, it's apart from the questions of more female headed families and on programs providing services or job training or whatever, whether they are more or less effective. We tried to look just at programs providing basic benefits, especially cash benefits. And what we really found when we did the same analysis for the elderly, you do not find that the Government programs are lifting fewer elderly out of poverty than they used to. We haven't retrenched in that area.

What we specifically found was that as a direct corollary of reductions essentially at the State level over a number of years in AFDC benefit levels because they didn't keep up with inflation, and similarly the income eligibility limits didn't keep up with inflation and they're now very far below the poverty line in many States, as well as some of the changes made at the Federal level in AFDC in particular in 1981 and changes in Federal and State level both in unemployment insurance and so forth, that there simply is a smaller package of cash benefits for the typical family with children than there used to be that is lifting fewer of them out of poverty. And when you add in noncash benefits, I didn't mention that in my testimony but the study we provided to the Committee also covers that, you find the same thing. In fact, the decline in the antipoverty impact is even greater when you look at it including the non-cash benefits because since 1979 those also have been reduced—some Federal, some State.

So, to me, one of the messages, certainly not the only one, one of the messages is that we do not make benefits more adequate for poor families and children. I think we ought to be covering two-parent families in all States, not just single-parent families in AFDC. I would like to see at some point, I know it's not politically feasible now but I think we have a national benefit level for the elderly poor in SSI, I'd like to see some minimum level ultimately in AFDC. There was a proposal, as you may know, at one point from Senator Evans and Durenberger and others, I think also introduced by Congressman Downy here, that tried to realign federal and state roles some to provide some of the resources for a larger Federal role and a better Federal floor under poor families for AFDC and Medicaid.

I would applaud the kinds of efforts Congress has taken in recent years on a bipartisan basis to bring more pregnant women, infants and young children into Medicaid who are not on welfare. I think those kinds of things are important.

So I do think there is one part of this, and to me the earned income tax credit fits in there too, where we've got to deal with the basic income side. On the other side of the coin on the services side, we have more programs but for the low income population less money. We've also done a study that we released last month in which we looked at low income discretionary nonentitlement programs. Their budget authority in fiscal 1981 and in the present. And it has declined about 50 percent in real terms. Now the bulk of that is subsidized housing and there's a lot of it and there's a debate as to what's the best way to measure subsidized housing

levels. But if you remove subsidized housing from the list, you still have a decline of nearly about 30 percent in the nonentitlement programs in the low income side. And again, the decline concentrates much more on families and on the elderly.

So what I see happening with the panels like this is we pay a lot more attention than we used to to poor children and poor families, but in terms of the resource decision we've made, we fiddle around the margins and they're basically the way they used to.

Mr. PACKARD. Mr. Kozol.

Mr. KOZOL. Well, very briefly, the consequence of what I said about New York City may give people the erroneous impression that this is simply a matter of local bureaucracy and is not a matter of misplaced Federal priorities, but that would be wrong because that's not what I believe.

New York City is clearly making the worse of an emergency situation, but it is the federal government which created the emergency, so far as I'm concerned. Now, I won't reiterate the points which my colleague has just made, but you know, I think some specific—when you use terms in Washington such as tightened eligibility requirements it is not always possible to image the human toll that these terms take if misapplied, if done unwisely. I'll give you a simple example.

There has been a surgical attempt on the part of the Administration to cut funds wherever possible which have anything to do with the lifeline needs of poor children. I don't see that urgency when it comes to defense.

A couple of years ago visiting the Martinique, about a year and a half ago, I had a dramatic example of this. I noted the Federal Government, the White House, used a lot of rhetoric about welfare cheats and stuff like that and they wanted to tear away the fat. I think that was a fashionable expression. And I saw an example of that. About a year and a half ago families who were just barely able to eat by combining a local so-called restaurant allowance with food stamps and out of that putting together enough to cook a meal illegally on their hot plate at night suddenly were hit with a significant food stamp cut. I believe it started in the summer of 1986. Summer of 1986. And it came in two or three stages. What caused this cut? The cut came for the following reason, as it was explained to me in New York. The White House or somebody in the Administration looked at the $24,000 a year we were spending for rent to private hotel owners in New York City and suddenly decided to consider that income for the families who lived in the Martinique. By that standard, they were very rich people and lost eligibility.

I saw families, I believe this was roughly through Mrs. Fields' case and several others, who were getting about $150 or $180 in food stamps in June and I saw it drop to $44 by Christmas. And that was a cold and hungry Christmas in New York City.

Now, that is not a bizarre behavior. That is consistent with the general impunitive agenda which has basically said if we have to cut money to balance the budget in America, we're going to cut it at the cost of those who don't vote. And those who don't vote are children and those who have the least power are the parents of those children.

In regard to housing, I don't think it's accurate to say—respectfully, I disagree with you to say we're spending more money now but it's being ill used. I don't see that we're spending more money for housing. It seems to me that under President Carter and President Ford we were building under the Ford Administration about 200,000 units of low income housing. Under President Carter about 300,000 units. If my figures are correct, last year we built about 17,000 such units. This is with federal funding.

A HUD official said a couple of years ago we're getting out of the housing business period. They did and we see the consequence in shelters all over the United States. In New York City at the present time, the Manhattan President has estimated there's an 18 year waiting list to get into public housing. In Miami it's 20 years. In Washington, I believe, it's around 12 years. This is not an act of God, this is an act of man. We made these decisions.

I've dealt with the same questions in talking about education for poor children for many years. And every time I do this, I've spent many interesting sessions with members of Congress, sooner or later one point is always raised, and it comes from both Democrats and Republicans. They're likely to look at me and say, "Well, I agree all this is sad, but can we really solve problems by throwing money at them?" I cannot tell you how many times I've heard that question in 25 years. And the answer is of course you can. That's the American way. That's how we do it in America. That's how we do it in this country. We never speak of throwing money at the Pentagon, we allocate funds for war. We throw money at everything that has to do with human justice. And I think it would be marvelous if this Congress, bipartisan, Republicans and Democrats together, were to make a decision just for one year we would allocate money for poor children and throw money at the Pentagon. Just once. That's my respectful dissent with you.

Mr. PACKARD. I had one other question, but I recognize you'd like to move on and I'll pass on it. It was relating to your rural comments in your testimony about having increased, but I'll pass on that.

Chairman MILLER. Well, for the first time in four years as Chairman of this Committee, I'm going to use my powers as Chairman to speak out of order for a minute here before recognizing the member. This is the first time, Dan.

It would be a very tragic mistake if policy makers left this room believing that all that we had to do to cure this problem was to spend the money we're spending better. If you spend all of the money that we're now spending better, 80 percent of the children who are eligible for Head Start will not receive it. If you spend all of the money that we're now spending better, only 20 percent of the children who are eligible for Title I, compensatory education, will continue to receive it. If you spend all of the money that we're now spending better, there are still 37 million Americans with no health care coverage. If you spend all of the money that we're now spending better on housing, you will still have suffered a $24 billion cut in housing programs during this administration. If you spend all of the money that we now spend better, 25 percent of all pregnant woman will deliver without seeing a doctor in the first three months of her pregnancy. If you spend all the money that we

now spend better, 1 million handicapped preschoolers will still not receive services.

So I think the point is that you can't get there from here with that argument and it misleads the public. It trivalizes the suffering of people who are waiting in line whether it's for housing or food or cheese, and it would be a terrible, terrible mistake for members of this committee to ever take that argument from here. That is not to say that there cannot be improvements in each and every one of these programs. But the shortfall is so great that it's criminal in nature and the shortfall is acknowledged in each and every committee that has jurisdiction over this problem. Yet each and every year we continue to participate in it.

There is no other answer to this problem than the expenditure of money. We have for 8 years pandered to that argument in the Congress because it has allowed liberals to run for cover and it has allowed conservatives to carry the day by that notion that you could do it. I don't know if it was started by California Governor Brown or California Governor Reagan, but they've both carried that argument and they were both wrong.

We have hundreds of thousands of children when you're all done spending all of the title XX money the best way you can who are still waiting for child care. So I think the point is that we have now come to the crunch in this country where those of us who have the benefit, the privilege, and the honor of making public policy are going to have to do just that. There is no more place to hide. We have filled up all of the old hotels in New York, we have filled up all of the old houses in my district and if we spend all of the money better, we will not replace housing that is being torn down for poor people in this country at anywhere near that rate. So we will only increase the deficit of units that are available. That is a glaring fact of the American landscape. And for those of us who sit in this committee and sit in this Congress and listen to this testimony, from all of the messengers that we'll be able to muster, Mrs. Fields, from Richard, from Mrs. Hudson and the parent who also told this committee that she was told in Maryland to give up her children so she could have a job. As a matter of fact, it would be better for her, they told her, if they would send her husband to one shelter, her children to another and she could go to a third and they could just meet during the day. Those people had worked every day of their lives until there was no more work for them to do. They had scoured this country from Montana to Maryland and back looking for work, but there was no work and unfortunately for millions of Americans that's the policy that leaves tears in your eyes because it never is going to evaporate. It only is going to get worse. It's only going to get worse and it's going to get worse on our watch, so it's time to quit pointing the finger at Jimmy Carter or Ronald Reagan. The Congress is here year in and year out essentially with the same membership, the same dynamics, the same politics. We are here now, and as they used to say in the 1960's, if you're not part of the solution, you're part of the problem.

My apologies to my colleagues for speaking out of turn.

Mr. Skaggs?

Mr. COATS. Mr. Chairman?

Chairman MILLER. Excuse me. Yes, Mr. Coats.

Mr. COATS. There's much of what you say that I agree with and I don't want to leave the impression that this member or any other member of this Committee, whether it's on the minority side or the majority side, is suggesting that we don't have a problem or that we don't necessarily need to spend more money. I think what I tried to say, maybe I didn't say it very eloquently, is that let's spend the money we do have intelligently and effectively.

When I hear someone come up here and say New York City spends $2,000 a month for rent in squalor conditions and then Mr. Kozol says I can spend that same money, $500 a month, and provide decent housing for people, for goodness sakes then let's at least do that. That's a start. I'm not saying that we don't need more money. We do need more money in a lot of these programs, but let's not assume that the money we're now spending is being spent in the most effective way possible. Let's at least make intelligent use of the money we have.

You told us earlier, Mr. Chairman, that the Budget Committee isn't going to give us any more money to spend in this area. Well, that's Congress' responsibility and we'll have to take responsibility one way or another. At least for the money that we do give, let's have the openness and the courage to say some of these programs are failures.

The program in New York is obviously a failure. Let's try to do something about it and make more effective use of the money that's available. That's the very least we can do and perhaps that's the first thing we ought to do. Hopefully we can muster the support on a bipartisan basis for the intelligent spending of more money in areas where we need more money. We have to be able to go back to the taxpayer and say we're not throwing it away in some rat hole in New York at $2,000 a month when people I represent are paying $400 a month for housing that's far superior to that. I've got to be able to go back and convince them that we're at least making intelligent decisions as to how we spend their tax dollars. It sounds like somebody in New York is making about the dumbest decision that can possibly be——

Mr. WEISS. Will the gentleman from Indiana allow me——

Mr. COATS. I thought that might elicit a response from the gentleman from New York. I'd be glad to yield to him.

Mr. WEISS. Well, the gentleman from Indiana may be pleased or may be surprised to learn that when last year I introduced legislation to allow the city of New York not to be forced to spend $2,700 a month for a single room with four people in it, but that it be allowed to use that money in standard apartments or to renovate or upgrade some standard apartments. The President of the United States, having at one of his press conferences pointed to that very situation and said, "It is disgraceful that we're spending $37,000 a year on that kind of housing." He said, "We could buy a house for that." And when we asked the President to support the legislation to allow the flexibility, the administration said no and the President refused to support my bill.

We now have in the welfare reform bill that's been adopted by the House but not by the Senate yet, a demonstration program which will start addressing the problem. The city of New York has had its hands cuffed by this administration so that it could not

spend its money except for exactly the kind of housing that Mrs. Fields and her family have been forced to live in.

Mr. COATS. Well, I thank the gentleman for enlightening me on that and I want to, in a sense, add my frustration to the gentleman's frustration because when I proposed changes that tenants in low income housing told me they needed in order to improve their situation, it wasn't the administration that blocked it, it was housing bureaucrats that run public housing that said, "Oh, no, don't take it away from us. We want to run it. You mean you're going to turn over authority to set living conditions and living standards to the people that live there? Why, they couldn't possibly make those kind of decisions. We're the ones that need to make the decisions." If the housing authority people and the bureaucrats are saying, "Oh, no, no, no. Don't change anything" or "We know how to run this." Well, if they know how to run this, I think they ought to take another look at it.

Mr. MORRISON. Will the gentleman yield?

Mr. COATS. Be happy to yield to Mr. Morrison.

Mr. MORRISON. Yes, I just—if we're going to talk about this housing issue and the expenditure of funds for emergency housing, we ought to see what the true lesson is about housing, which is when you try to spend less you end up spending more on individual families and less in the aggregate families get helped. And that decision was certainly not one made by individual communities or by the city of New York or any state that we may represent. It was a conscious decision. Homelessness in America, there are many things that maybe are not the source of public decisionmaking, but decisions made with the concurrence of Congress by the Administration to dramatically reduce the production of low and moderate income units is why we've got welfare hotels and the like all across the country. So by foolishly thinking that we could blind ourselves to the need and spend less, now we get these outrageous examples of spending more because there was a program into which we could shoehorn a nonsolution to the problem and spend more. So if there's a lesson to be learned from the housing situation, it's penny wise and pound foolish. It's not local waste.

You can find local waste, but these people at the local level are responding to an emergency in the best way they know how under the rules that have been made in Washington. And those rules are inadequate to the test. They're inappropriate to the test. They were written for people who got burned out of their house and were supposed to be put up for a short period of time and then able to relocate themselves. So I hope that we'll not take the wrong lesson from the housing situation.

Eighty-five percent reduction in real terms in expenditures by the federal government for the production of low and moderate income housing in this country is why we have families that are homeless in America. And if we don't learn that about the housing situation, we'll never solve the problem.

Chairman MILLER. Let me try to recognize Mr. Skaggs before we go to a vote and suggest that the question of whether or not we have neglect and malfeasance at the federal and the state level, I'm sure there's enough to go around. It reminds me of the comment the other day when the Administration suggested that the

Teamsters ought to be put in receivership because they had 100 people under indictment and the Teamsters official said if that's the test, you too. So there's enough blame to go around here.

Mr. Skaggs, on that bipartisan note.

Mr. SKAGGS. Thank you, Mr. Chairman.

Do we know what the vote is?

Chairman MILLER. It's on the journal.

Mr. SKAGGS. Oh, terrific.

Let me try to be quick.

Chairman MILLER. Let us not deal with the important, just the urgent, the journal.

Mr. SKAGGS. I normally regret when I don't get to a hearing on time. I'm not sure I could have handled the feelings that would have been evoked if I'd been able to hear all of the testimony before I got here. And I think it's a great service to us to get our hearts engaged in this. We tend to be too insulated.

One of the things that stands in the way of progress here is a lot of mythology and we heard it over and over again when the welfare bill was here in the House and I'm sure the arguments are being raised in the Senate that you're going to make welfare too attractive. Here we are talking about minimum benefits and AFDC–UP all across the country and, you know, you go and do that, how do you expect people to want to go to work.

I'd just like to hear from Mrs. Fields and Mrs. Hudson. Do you know of anybody that from your experience, your neighbors, your friends who choose to become dependent and stay there, who choose to engage in the kind of mythical activity of let's have another baby because it makes my welfare benefits improve? Where does that come from? Have you ever seen it?

Ms. HUDSON. Yeah, I've seen it, but it is a myth. I mean I don't actually—I've got five children of my own and I don't actually think a woman wants to suffer through having a child and raising it for 18 years so she can get $20 or $25 a month. I mean that won't feed the child.

I don't know of anyone who has actually made the decision to say well I'm going on welfare and I'm going to stay here. But I do know of women like me and my husband who, when our children are seriously ill, have considered we can't get the help we need. We either have to quit our job so we'll be eligible for a medical card or we have to let our children do without. Now, I do know of situations like that. But it was not a decision that we made of choice; it was a decision that you put us in. We had no other choice.

Mr. SKAGGS. Ms. Fields?

Ms. FIELDS. I know people like that. In New York you get $27 more on your welfare check if you have another child. The restaurant allowance is $42 per person every two weeks. So if you move out of the welfare hotel, all that money comes off your check. So a lot of people would rather stay in the hotel. But these are people that don't have no ambition, don't want nothing out of life, don't want no future or anything.

Mr. SKAGGS. And what proportion of the people that you know would fall into that category? What fraction?

Ms. FIELDS. Well, personally I know three people like that.

Mr. SKAGGS. Out of——

Ms. FIELDS. Maybe about—the people that I know, maybe about—out of about 15 families, about three.

Mr. SKAGGS. Thank you, Mr. Chairman.

Chairman MILLER. Mr. Weiss?

Mr. WEISS. Thank you, Mr. Chairman.

Chairman MILLER. All right. I think what I'll do, I think I'll just go ahead and continue. We'll take a little break here while we switch panels, but I think I'll miss this vote and we'll just go ahead and continue the hearings.

I want to, first of all, thank all my colleagues for this morning and also to thank this panel. Obviously, you touched a nerve with your testimony. I only hope that that can be translated into getting the Government to meet its responsibility to poor families and homeless families and that this can be built on.

I have to ask you one question because, again, it's part of an interview that I heard with Mr. Kozol.

Ms. Fields, what do you do to protect your children in this environment?

Ms. FIELDS. Keep them inside the room. Well, fortunately, my kids are older than most of the kids in the welfare hotels. All my children work, they all go to school except my oldest daughter. Once Richard gets in the room, he doesn't go out no more until the next morning when it's time to go to school. That's the same for my daughters also. The environment is very bad. It's a lot of drugs and just out in the building, outside it's very dangerous to live in an atmosphere like that. Just try to keep everybody together and hope for a miracle and pray a lot.

Chairman MILLER. Thank you.

Thank you, Mr. Kozol, Robert, Ms. Hudson, thank you very much for your testimony.

And let me just say, I think there's still some people outside that haven't been able to come in, so if some of you want to sneak out for a smoke or a coke or something, you might, you know, so other people can come in.

The next panel will be made up of Timothy Smeeding, who is the Director of the Center for Study of Families, Children and the Elderly from Vanderbilt Institute of Public Policy Studies from Nashville, Tennessee. And Mr. Allen Smith who is a parent from Houston, Texas. And the Rev. Yvonne Delk who is the executive director, Office of Church in Society, United Church of Christ from New York. And Pastor Nathaniel Dugar who is the pastor of The Way of the Cross Church from Washington, DC. If those individuals will come forward, we'll start here in about one minute.

[Whereupon, at 11:16 a.m. a recess until 11:19 a.m.]

Chairman MILLER. We'll try to bring the Committee back to order here.

And let me just say that, you know, obviously there's a number of people in the audience that have first hand experience with much of the testimony and the questioning back and forth that you'll hear this morning. It's the policy of this Committee to leave the record open for a period of ten to 15 days if people want to comment to the Committee on something that they have heard or they disagree or they agree with or they have additional evidence that would be important to the Committee, because all of this will

eventually wind up in the report of this Committee. And we do take additional submissions to the Committee into account and read them and factor them in, so you're certainly more than welcome to submit testimony for the record.

I'm going to ask that we try to close the doors so that the witnesses can have the same courtesies that were extended to the previous panel.

Chairman MILLER. Mr. Smeeding, we're going to begin with you. Your written statement will be placed in the record in its entirety and the extent to which you want to summarize, we would appreciate that, but also to the extent to which you may want to summarize and comment on previous statements or what have you, certainly feel free to do so.

Welcome.

STATEMENT OF TIMOTHY M. SMEEDING, DIRECTOR, CENTER FOR THE STUDY OF FAMILIES, CHILDREN AND THE ELDERLY, VANDERBILT INSTITUTE FOR PUBLIC POLICY STUDIES; PROFESSOR OF PUBLIC POLICY AND ECONOMICS, VANDERBILT UNIVERSITY, NASHVILLE, TN

Mr. SMEEDING. Thank you, Mr. Miller.

I'm Tim Smeeding. I'm the director of the Center for the Study of Families, Children and the Elderly at the Vanderbilt Institute for Public Policy Studies. And today I'd like to report to you on some of the research that I've recently conducted with my colleague Barbara Torrey, who is the director of the Center for International Research at the Census Bureau, using the Luxembourg income study database.

For the first time this allows us to directly compare the poverty status of children in the United States with those in seven other modern western countries: Australia, Canada, Germany, Norway, Sweden, Switzerland, and the United Kingdom.

What we examined for your committee is the type, amount and effectiveness of income transfers to poor families with children to determine how many families are removed from poverty by programs aimed at this in each country. And I want to summarize very briefly at first, and then just run through the results as shown in the tables. I'll try and stay within my five minutes.

We find that of the eight countries which we studied, the United States and Australia began with the most families with children in poverty before the government taxes and transfer benefits helped them. We know that in general tax and transfer programs reduce poverty in every country. But the United States and Australia continue to have more poor families with children than any other country after the impact of benefit system are taken into account.

Moreover, if you just look at children alone, the United States had the highest percentage of children in poverty of all eight countries studies in 1980; the highest percentage of severely poor children, that's children below 75 percent of the poverty line; and the highest remaining poverty gap.

We found that the percentage of poor children after transfers was strongly related to the amount of benefits provided and to their effectiveness in reaching the poor. Other than Switzerland,

which is a unique country and has less than 5 percent of its children poor in any case, we spend less in transfer per poor family with children than does any other country that we looked at, including our neighbor Canada.

Now, let's just walk through some of the numbers that I have here. I'm a little bit like Bob Greenstein in that there's a lot of numbers here, but they do tell a story and it's a very compelling story. We answer a simple question; compared to other major western nations on the basis of poverty status, measuring it just the way that we officially measure it in the United States, i.e., the same poverty line, the same income concept, et cetera, how do U.S. children fare? Do we do better, do we do worse?

What we found in table 1 was that the United States and Australia spent the least relative to the poverty gap they found. But Australia only had a median income which was 78 percent of ours. The United States had the highest percentage of children poor before taxes and transfers, and after taxes and transfers we were second only to Australia.

Now, if you looked at children alone, we found, as I said before, that the United States had the highest poverty rate with the United States at 17 percent, Australia next at 16.8. Canada in contrast, had a child poverty rate of 9.6 percent.

If we went a little bit further and we said, "Well, you can play around with these exchange rates and things like that and your results might be sensitive to such choices." What if we said let's look at the percentage of children who are severely poor. That's below 75 percent of the poverty line. Choice of exchange rates will not affect these numbers. What we find is the United States at 9.8 and Australia 7.3 percent. The next closest child poverty rate is 4.4 in Canada and everybody else is below that. Quite simply, we don't look very good compared to the rest.

Suppose we look at two more things—at the amount of money we spend and our recipiency rates. There are three different philosophies for spending money on families with children. There's means tested benefits, which go to families which otherwise have nothing else; there's employment related programs, social insurance programs like unemployment compensation and disability insurance; and there are universal programs like child allowances. Of all the countries we studied, the United States and Switzerland were the only ones without a child allowance, without some minimum amount of money, however small it may be, for every child regardless of whether they're poor or whether they're rich.

What we also found was that the United States spent less per poor family than any country with the exception of Switzerland. Our social insurance benefits, in particularly, were terrible. And of all the countries that rely on means tested benefits like AFDC and food stamps, we spent less than they did, too.

It appears from this table 3 that cross nationally the generosity of Government programs is not dependent or the kinds of programs, but the resulting number of poor families does depend a lot on how much is spent on social programs.

The last thing I want to call your attention to is the percentage of families which receive benefits. If you don't receive benefits, increasing levels of benefits isn't going to help. Whether you don't re-

ceive them because you're ineligible or because you don't know about them or because you're not able to get through the maze of rules to receive benefits, can't be answered directly. But we can tell you who does and doesn't benefit from income transfers.

In the United States only 73 percent of all poor families with children get any type of benefit including food stamps, unemployment compensation, AFDC, general assistance, SSI and the like. And among the countries that relied most heavily on means tested benefits, Australia, Sweden, Canada and the United States, the United States had the lowest recipiency rates. With low average benefit levels and low recipiency rates, we don't do very well at bringing otherwise poor families out of poverty. That's really the bottom line.

Now, there are a number of other issues that we really need to pursue before the patterns which we're just beginning to find can be fully understood. Right now it's very difficult to make new datasets which underlay this testimony comparable across countries. The reason that LIS is so unique is that no one else has ever worked to make these data comparable before this time. These numbers aren't lies; they're solid numbers. We'll stand behind them completely. But we know that between 1980 roughly the year of the LIS data before us and 1986, poverty increased tremendously in the United States. And so our situation is even worse now than before. We don't know what happened in the other countries since 1980 but by the end of the year after we have updated LIS to 1986, we'll be able to tell you.

But in conclusion, the final point I want to emphasize is that this analysis does address two issues with perfect clarity: our poor children don't compare well with those in other similar countries, and the amount that's spent on child related programs does make a difference. Until we're ready to spend more or spend it better, we're just not going to do so well.

Thank you.

Chairman MILLER. Thank you.

[The prepared statement of Timothy M. Smeeding follows:]

PREPARED STATEMENT OF TIMOTHY M. SMEEDING, DIRECTOR, CENTER FOR THE STUDY OF FAMILIES, CHILDREN, AND THE ELDERLY, VANDERBILT INSTITUTE FOR PUBLIC POLICY STUDIES, AND PROFESSOR OF PUBLIC POLICY AND ECONOMICS, VANDERBILT UNIVERSITY, NASHVILLE, TN

NOTE.—This statement was prepared in part under funds granted to the Luxembourg Income Study under NSF Grant No. SES 86-09645. These are the views of the author and do not necessarily reflect those of this organization and sponsors. He accepts full responsibility for all errors of commission and omission. Questions may be directed to Dr. Smeeding at (615) 322-8541.

THE CHILDREN OF POVERTY: THE EVIDENCE ON POVERTY AND COMPARATIVE INCOME SUPPORT POLICIES IN EIGHT COUNTRIES

The evolution of income support programs for families with children in industrial countries uniquely reflects each country's own social philosophies. Today the programs that reduce child poverty vary considerably not only in their structures, but also in their outcomes. Our research is based on a detailed comparison of families with children in eight countries -- Australia, Canada, Germany, Norway, Sweden, Switzerland, United Kingdom and the United States -- at the beginning of the decade. This analysis focuses on the type, amount, and effectiveness of income transfers to poor families with children to determine how many families are removed from poverty by these benefits.

We find that of the eight countries studied, the United States and Australia begin with the most families with children in poverty before taxes and transfers. The tax and transfer programs reduce poverty in every country, but the United States and Australia continue to have more poor families with children than any other country after the impact of tax and transfer benefit systems are taken into account. The U.S. has the highest percentage of children in poverty (17.1 percent in 1979) of all eight countries studied, the highest percentage of severely poor children (those living in families with incomes less than 75 percent of the poverty line), and the highest remaining poverty gap for families with children. While the amount of income transfers provided to the average poor family was not strongly related to the structures of income transfers programs among the countries, the result, i.e., the percentage of poor children after

transfers, was strongly related to the amount of transfers provided and to their effectiveness in reaching the poor. Other than Switzerland (which has less than 5 percent of its children poor before public benefits), we spend less in transfers per poor family with children than does any other country studied.

This testimony briefly presents the data on the poverty rate of families before and after the tax and transfer system in eight countries. Our research is based on the Luxembourg Income Study, a unique resource cooperatively sponsored by the U.S. National Science Foundation and by other scientific research foundations in the nation countries. Without it, we would not have been able to perform these analyses. This research project is described in Appendix 1 to this testimony. Our statement describes the structure of income support benefits in each country and the importance of each program in reducing poverty for all families with children. It discusses the importance of welfare versus social insurance programs in reducing poverty in each of the eight countries. An earlier extension of this research to single parent families produced virtually the same result for this group (Smeeding and Torrey [1987]).

I. DATA AND METHODS

Between 1979 and 1983, ten countries conducted national household surveys that collected detailed income data. The data from these ten surveys were adjusted for definitional differences of both income and income sharing units and have become the core of the LIS data set. The U.S. dataset used in LIS is the March 1980 Current Population Survey, on which

our official government poverty estimates are based. Appendix 1 presents an overview of the LIS datasets (Table A-1) and further information on LIS.

Family disposable personal income (post-tax, post-transfer income) is the measure of well-being used throughout this paper. It includes all forms of cash income (earnings, property income, all cash transfers) net of direct taxes (that is, employer and employee payroll taxes and income taxes). Our income definition also includes food stamps, but not medical benefits or public housing. Our income definition (and poverty estimates) therefore differ slightly from that of the U.S. Census Bureau because it subtracts direct taxes but adds in food stamps. In some cases we also use gross income (disposable income plus income and payroll taxes) and pre-tax, pre-transfer income (gross income minus public transfers) in our analysis.

The income accounting unit used in this analysis is that of the U.S. Census family (all persons living together and related by blood, marriage, or adoption). Family and household are used equivalently throughout this paper. Families (households) are also classified according to the age of the head of the family. The definition of poverty in this paper is the official U.S. government poverty line definition, which is converted into other currencies using the OECD purchasing power parities for the appropriate year (1979, 1981, or 1982). Poverty status is determined by comparing disposable income to the U.S. government poverty lines for each country in the appropriate year. Additional detail on the issue of poverty measurement across countries is included in Smeeding and Torrey [1987] and Smeeding, Torrey, Rein [1988].

II. RESULTS

The primary purpose of this testimony is to answer a relatively straightforward but powerful question. Compared to other major western nations on the basis of poverty status, how do U.S. children fare? Because of differences in measurement techniques for income and poverty, this type of comparison was not possible before LIS. For the first time, we have the microdata bases on which we can make such a comparison. We have made the datasets comparable and we have applied the U.S. poverty definition to each of these countries. Now, where do U.S. children stand?

Poverty Rates and Poverty Gaps. This section presents basic descriptive data on how many families with children are poor with and without transfers, how deep their poverty is (poverty gap) before and after transfers, and, therefore, by how much public transfers changed their poverty rates and gaps.

-- Public transfers in four countries (Norway, Germany, United Kingdom and Sweden) were more than large enough to fill the average size of the pre-tax and transfer poverty gap for families with children (Table 1, final row). The United States and Australia had the largest poverty gaps and pre-transfer poverty rates but spent the least relative to the poverty gap target which they faced. However, Australia has a median income which is only 78 percent that of the United States.

Of course, filling the poverty gap on average does not mean eliminating all poverty. For some families the gap is more than filled, while for other families the gap is not filled and they remain poor even after the receipt of public transfers. Hence the average benefit level (Table 3) and the percent of families receiving transfers (see Table 4) is important as well as the amount of transfer relative to the poverty target. But still, Table 1 indicates:

Table 1

Poverty Rates and Gaps for Families with Children: 1979-1982[5]

MEASURE	AUSTRALIA	CANADA	GERMANY	NORWAY	SWEDEN	SWITZERLAND	UNITED KINGDOM	UNITED STATES
Poverty rates:								
Percent of families who are:								
1. Pre-tax/pre-transfer poor	17.6	13.6	7.9	12.1	10.4	4.4	14.1	16.6
2. Post-tax/post-transfer poor	15.0	8.6	6.9	6.4	4.4	4.1	8.5	13.8
Poverty population reduction rate[1]:	14.8	36.8	12.7	47.1	57.7	6.8	39.7	16.9
Poverty gaps:								
1. Pre-tax and pre-transfer poverty gap as percent of U.S. poverty line[3]:	68	59	50	63	63	44	47	63
2. Post-transfer poverty gap as percent of U.S. poverty line[3]:	32	32	24	25	28	29	21	38
Poverty gap reduction rate[2]:	53	46	52	60	56	34	55	40
Transfers as percent of poverty gap[4]:	70	85	106	105	176	91	117	64

[1] Percent reduction in pre-tax/pre-transfer poverty defined as: Pre-tax-transfer minus post-tax-transfer divided by pre-tax-transfer (1-3/1).

[2] Percent reduction in pre-tax/pre-transfer poverty gap defined as: Pre-tax-transfer gap minus post-tax-transfer gap divided by pre-tax-transfer gap (1-3/1).

[3] The difference between the average income and the poverty line income divided by the poverty line.

[4] Public transfers as percent of pre-tax and transfer poverty gap.

[5] Some datasets were for 1979, others for 1981 or 1982. The U.S. data is for 1979. The U.S. poverty lines for the appropriate year were compared to family incomes in that year for each country to obtain the estimates of poverty among families with children.

-- The U.S. has a higher pre-tax and transfer poverty rate for families with children than any other country, except Australia. After tax and transfer programs, the U.S. still has a higher proportion of poor families than every country but Australia.

-- The poverty gap after taxes and transfers was higher in the U.S. than in all the other countries. Ignoring Switzerland (which only began with a pre-tax and transfer poverty rate of 4.4 percent), U.S. transfer programs reduced the poverty gap of our poor families with children less than in any other country, including Australia.

Appendix 2 presents similar estimates for single parent families with children. As might be expected, single parent families are everywhere worse off than are other types of families with children. They have more poverty and higher poverty gaps both before and after transfers. But again, as one might not suspect, single parent families in the U.S. fare worse than do others, except Australia. We, as a nation, spend less on single parents than do all others, and as a result, end up with the second highest after-transfer poverty rate (after Australia) and the highest remaining poverty gap.

Poverty Among Children. If we look at poverty rates by children (Table 2) instead of by families with children we see a similar pattern but with some important differences.

-- When we look at the percentage of children who are poor (instead of the percentage of families with children who are poor) the U.S. has the highest poverty rate (17.1) with Australia now second (16.9) instead of the reverse (see Table 1).

-- The U.S. has the highest rate of poverty among children in other (extended) family situations (16.2 percent) and also the highest proportion of children who live in these families (23.4 percent). To a large extent this extended family situation is indicative of young single parents who are living in their parents' homes. Hence the rate of poverty among children of single parents would be even higher if

Table 2

Poverty Among Children and Children by Family Type[1] : 1979-1982[9]

MEASURE	AUSTRALIA	CANADA	GERMANY	NORWAY	SWEDEN	SWITZERLAND	UNITED KINGDOM	UNITED STATES
Percent distribution of children by family type:								
All families	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
One-parent families[2]	9.1	9.6	5.5	11.7	14.8	11.6	8.0	14.7
Two-parent families[3]	75.3	71.1	72.2	79.1	84.8	87.3	76.7	61.9
Other families[4]	15.6	19.3	22.3	9.2	0.4	1.1	15.3	23.4
Children as percent of total population:	30	28	24	32	23	26	28	29
Poverty Rates[5] of Children:								
All families	16.9	9.6	8.2	7.6	5.1	5.1	10.7	17.1
One-parent families[2]	65.0	38.7	35.1	23.6	8.6	12.9	38.6	51.0
Two-parent families[3]	12.4	6.8	4.9	4.4	4.5	4.1	9.5	9.4
Other families[4]	10.6	5.5	12.1	12.7	0.5	3.8	2.5	16.2
Poverty rate with U.S. family composition[6]:	19.6	11.2	10.5	7.5	5.1	5.4	12.7	17.1
Percentage of all Poor Children Who are Severely Poor[7]:	43.1	45.8	30.8	35.3	42.4	39.3	35.2	57.7
Percent of all Children Severely Poor[8]:	7.3	4.4	2.5	2.7	2.2	2.0	3.8	9.8

1 Children are persons 17 years or under and adjusted income was calculated using the U.S. Poverty Line equivalence scales.
2 Children in one-parent families are living with only one natural parent and no other adults in the family.
3 Children in two-parent families live in units with two parents and no other adults.
4 Children in other families may live with adults other than one parent alone or two parents alone, for example, living with grandparents, in extended family situations, foster homes, and so on.
5 Absolute Poverty Rates as explained in Section III preceding.
6 Assumes no change in poverty rates within family types, but with the same distribution of children across family types as in the U.S., i.e., 14.7 percent in single-parent units and 85.3 percent in other family units.
7 Percentage of all poor children who live in families with incomes below 75 percent of the U.S. poverty line.
8 Percentage [illegible] live in families with incomes below 75 percent of the U.S. poverty line.
9 Some datasets are for 1979, the others are for 1981 or 1982. The U.S. data is for 1979. The U.S. poverty lines for the appropriate year were compared to family incomes in that year for each country to obtain the estimates of poverty among children.

these "hidden" single parents could be identified (Bane and Ellwood [1984]).

-- The poverty rates of children in lone-parent families are at least twice as high and usually much higher than for children in two-parent families. This pattern is true in every country studied (Table 2). And these patterns are unrelated to the proportion of children in the total population as well as their distribution among different family types. The U.S. has fewer children in two-parent families than other countries; but it has a similar proportion in lone-parent families as Sweden and Norway. While the poverty rate among children in lone-parent families in the U.S. is 51.0 percent, it is 8.6 percent in Sweden and 21.6 percent in Norway.

-- If every country had the same percentage of children in lone-parent families as the United States in 1979 [illegible] percent but their own actual poverty rates for these children, the poverty rate among all children would increase everywhere but in Norway and Sweden (Table 2, third last row). However, in all other countries (except for Australia) the increase in child poverty would still leave those countries far below U.S. rates. What appears to distinguish the U.S. and Australian situation is that the lone-parent families are so much more economically vulnerable than in other countries.

-- The final two rows of Table 2 indicate the percentage of all children and of all poor children who live in families with incomes below 75 percent of the U.S. poverty line. We term these children as severely poor because after all tax and transfer programs, they have incomes which are significantly different from those near the poverty line. Among those near the poverty line, a minor change in poverty definition might radically affect the result. But for the severely poor, poverty is clearly not a statistical quirk. Here we find that U.S. poor children are by far the worst off with 57.7 percent of them falling below the 75 percent level and overall 9.8 percent of children who are severely poor. Australia is second at 7.3 percent with no other country above 4.4 percent.

Hence the most striking element of Table 2 is that other countries with similar demographics do much better than the U.S. and Australia appear to do in keeping children in general, and those in single-parent families in particular, out of poverty. These countries provide more income benefits to their poor children than the United States does. They also provide income

benefits in a considerably different mix of transfer programs than does the United States. We now turn to this issue.

The Relative Importance of Individual Income Support Programs. The first step in understanding why some countries are more effective than the United States in reducing the poverty of their children is to understand the roles that government programs play. Government programs among the eight countries studied varied considerably in how much they spent on their poverty populations as seen in Table 1. They also differ greatly in the types of programs which deliver these benefits. The comparisons of the roles of these various government programs suggest different social philosophies embedded in the transfer programs of the industrial countries studied. These different social philosophies can be divided into three approaches:

-- means-tested programs, which seek target efficiency through categorical, income and wealth standards of eligibility;
-- employment-related programs, where entitlement is based on the past contribution of employer, employee, or both. Such programs depend on a history of paid employment and are therefore linked not to need, but to work; and
-- universal entitlement programs based on common citizenship in society; childrens allowances are the prototype of citizen-like programs where eligibility is based on age alone rather than need, past contribution, or work.

The latter two are often combined into the category of social insurance to distinguish them from means-tested programs. The various structures of

income support for the poor suggest different philosophies of the various societies. The societies that rely on social insurance either regard income support as an entitlement of citizenship (e.g., universal entitlements such as child allowances), or as a source of insurance earned through employment (employment-related programs) or both. Of the eight countries studied here, all but the U.S. and Switzerland have modest child allowance programs. Those societies that provide most of their support through means-tested programs view this spending more as charity based on a definition of need, which is reflected by inadequacy of other sources of income and possibly by type of family unit (categorically) as well.

One reason why the disposable income of poor families with children after taxes and transfers was so low in the United States was that the level of public transfers was lower in the United States (58 percent of the poverty gap) than in any other country shown in Table 1. Table 3 delves deeper into this issue by indicating the amount and type of government income support provided poor families with children in 1979 U.S. dollars.[2] We find that:

-- Compared to other countries, the U.S. spent less per poor family with children ($2352) than any country with the exception of Switzerland. U.S. means-tested benefits, although presumably better targeted than social insurance benefits, were simply too low ($1660 on average) to lift the average poor family with children out of poverty in 1979. It also appears that U.S. social insurance benefits, particularly employment-related benefits, did not provide a great deal of assistance to families with poor children. They averaged $692 -- less than in any other country, except Australia where they are zero.

-- The amount of government benefits provided to poor families was not strongly related to pre-tax and transfer poverty; if anything, the amount varied inversely with the pre-tax and transfer poverty rate among the countries. With the exception of Switzerland, where both pre-transfer poverty and public transfers are low, the three countries with the lowest rates of pre-tax and transfer poverty (Germany, Norway, Sweden) provided considerably more

Table 3

Levels of Government Transfers[1] to Families with Children Who Were Poor Before Taxes and Transfers: 1979
(In U.S. dollars)[3]

MEASURE	AUSTRALIA	CANADA	GERMANY	NORWAY	SWEDEN	SWITZERLAND	UNITED KINGDOM	UNITED STATES
Social Insurance, Total	$ 369	$1,498	$2,726	$3,706	$4,028	$2,127	$1,917	$ 692
Employment-related	---	1,118	2,115	3,314	2,824	2,127	1,216	692
Child allowances	369	380	611	392	1,204[2]	---	755	---
Means tested	2,397	1,383	328	144	2,357	190	1,239	1,660
Total government transfers	2,766	2,881	3,054	3,850	6,385	2,317	3,210	2,352
Distribution of transfers by type:								
Means-tested	87	48	11	4	37	8	39	71
Social insurance	0	52	89	96	63	92	61	29
(Employment-related)	(0)	(39)	(69)	(86)	(44)	(92)	(37)	(29)
(Child allowances)	(13)	(13)	(20)	(10)	(19)	(--)	(24)	(--)
Total	100	100	100	100	100	100	100	100

[1] Average transfer per poor family with children, averaged over all poor families with children.

[2] Includes maternal benefits.

[3] All transfers were converted to 1979 U.S. dollars using OECD Purchasing Power Parities (to convert currencies to dollars) and the U.S. Consumer Price Index (to deflate 1981 or 1982 dollar estimates to 1979 dollars).

benefits than the three countries with the highest rates (U.S., Australia, Canada).

-- Child allowances vary only from 10 to 24 percent of government income support for poor families. The level is also unrelated to the rates of pre-tax and transfer poverty. The child allowance levels are not large enough to explain the post-transfer patterns of poverty rates. They are large enough to help remove some families from poverty and to provide a minimal support which does help reduce the poverty gap (e.g., Australia), but they are not large enough to solve the child poverty problem in any country, particularly one which does not currently have them, e.g., the United States.

In summary, it appears that cross nationally, the generosity of government programs is not dependent on the kinds of programs that provide benefits, but the effect of transfers to poverty does depend on how much is spent. Governments can decide to provide generous benefits through social insurance programs such as Norway or through welfare programs such as Australia or through both programs such as Sweden.

Penetration Rates. In addition to the level of benefits provided by the income transfer system, the percentage of families which receive benefits is also important in explaining the resulting poverty gap and poverty line. If families do not receive benefits, whether due to categorical or other initial ineligibility criteria, or low take-up rates, spending additional funds on current programs will not help alleviate their poverty. The data in Table 4 consider the percentage of the pre-tax and transfer poor families which receive benefits from social insurance programs (including child allowances), means-tested programs, or both. Several observations can be made:

-- Overall benefit recipiency is very high in countries with child allowance programs. Excluding the U.S. and Switzerland, the two countries without these benefits, 98 percent or more of all poor families with children received some type of benefit.

84-794 0 - 88 - 4

Table 4

Penetration Rates for Transfer Programs: Percentage of Pre-Tax and Transfer Poor Who Receive Benefits from Each Type of Program

FAMILY TYPE	COUNTRY	TRANSFER TYPE		
		MEANS-TESTED	SOCIAL INSURANCE[1]	EITHER
All Families	Australia	72	94	99
	Canada	89	98	99
	Germany	38	100	100
	Norway	27	97	98
	Sweden	89	100	100
	Switzerland	8	40	44
	United Kingdom	51	99	99
	United States	61	25	73
Single Parent Families	Australia	91	94	99
	Canada	89	98	99
	Germany	56	100	100
	Norway	31	97	97
	Sweden	92	100	100
	Switzerland	8	30	35
	United Kingdom	75	98	99
	United States	71	10	77

[1] Social insurance includes either child allowances or employment-related benefits.

-- In the U.S. only 73 percent of all families with children received either type of benefit; 77 percent for single parents only. The low Swiss recipiency rates (35 percent) are in part due to their low pre-transfer poverty levels.

-- Among the countries which rely most heavily on means-tested benefits: Australia, Sweden, Canada, and the U.S., the U.S. has the lowest recipiency rates, both for all poor families with children and for single parent families. Among the latter, the U.S. means-tested benefit recipiency rate for poor single parent families is 71 percent as compared to 89 percent or higher in Australia, Canada, and Sweden.

It appears that, excluding Switzerland, both low average benefit levels and low benefit recipiency rates help explain the poor performance of the U.S. transfer system in reducing poverty among children. The high U.S. level of benefit non-recipiency may help explain the fact that among the poor, the United States had the greatest percentage of severely poor families with children (those families with incomes below 75 percent of the poverty line) in Table 2.

III. CONCLUSIONS

There are perhaps more questions raised by this short statement than answered. There are a number of issues that need to be pursued before the patterns which are beginning to emerge can be fully understood:

-- The comparisons in this paper have been made using the U.S. absolute poverty income line. But the countries compared have different levels of national and per capita incomes, and different benefit guarantee levels. Should we expect countries such as Australia or the United Kingdom, which have less than 80 percent of the per capita income of the United States, to do as well by its poor as does the United States? If we standardized the level of effort in reducing poverty to national resources or target income levels the United States may in fact look worse than it does in non-standardized comparison with the other countries. One hint at this result is provided in Table 2 where we find that the U.S. has 57.7 percent of its poor families with children classified as severely poor as compared to 43.1 percent in Australia and 35.2 percent in the U.K.

-- Since 1979 the poverty situation for U.S. children has become considerably worse. The official U.S. child poverty rate rose from 16.0 percent in 1979 to 19.8 percent in 1986; in single parent families the rate jumped from 48.6 to 54.4 percent.Average cash transfers per family stayed constant in the U.S., but the transfer system did less to remove families with children from poverty in the U.S. in 1985 as compared to 1979 (Danziger [1988]). What happened over this period for children in other countries? This question need be answered before we can be definitive about the picture which is emerging in this paper. Once the 1986 wave of LIS is on line later this year, we will be able to perform such an analysis.

-- Finally, the U.S. is a large and diverse country. Should we compare the entire U.S. to countries like Sweden or Germany, or only similar parts of the U.S.? There are very large differences within the United States as well as between it and the other countries in this paper (see also Smeeding [1984]). Yet Canada is also a large and diverse country and it seems to do much better than the United States in fighting child poverty. A detailed comparison with our closest neighbor along the lines of a recent study by Wolfson [1987] is also called for.

The two things which this analysis does make perfectly clear are: (a) that our poor children do not compare well with those in other similar countries; and (b) that the amount that is spent on child related programs across countries does make a difference. Until we are prepared to restructure our social income support systems to provide greater benefits to children, be it through earnings related benefits, social insurance or means tested welfare programs, we doubt that the U.S. will be able to improve the well being of its poor children relative to those in other similar countries.

NOTES

1 The percentage of children in the United States officially defined as poor was 16.0 percent in 1979 as compared to 17.1 percent in this testimony (U.S. Bureau of the Census [1987]).

2 Benefits were converted to U.S. dollars using OECD Purchasing Power Parities and deflated to 1979 using the U.S. Consumer Price Index.

APPENDIX 1

LUXEMBOURG INCOME STUDY (LIS)

The Luxembourg Income Study has gathered in one central location (the Center for Population, Poverty and Policy Studies (CEPS), in Walferdange, Luxembourg) and made several recent large microdata sets which contain comprehensive measures of income and economic well-being for a set of modern industrialized welfare states. The dataset is accessible to researchers at low cost. Because of the breadth and flexibility afforded by microdata, researchers are free to make several choices of perspective (definition of unit: family, household, etc.; measure of income; and populatikon to be studied, for example, males, females, urban families, elderly households) within the same research paper. This truly comparable microdata creates a potentially rich resource for applied comparative and policy research in economics, sociology, and public policy. The LIS databank currently covers ten countries -- Australia, Canada, Germany, Israel, Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and the United States, with France and Italy soon to be added. Table A-1 contains an overview of LIS country datasets. A copy of the LIS Information Guide and further documentation can be obtained by writing to one of the following:

Timothy M. Smeeding
LIS Director
VIPPS, Vanderbilt University
1208 18th Avenue South
Nashville, Tennessee 37212
USA
Phone: (615) 322-8541
EARN/BITNET: SMEEDITM@VUCTRVAX

Lee Rainwater
LIS Research Director
Harvard University
530 William James Hall
Cambridge, Massachusetts 02138
USA
Phone: (617) 495-3825
EARN/BITNET: LR@HARVUNXT

Brigitte Buhmann
CEPS-LIS
Case Postale 65
L-7201 Walferdange
Gr. D. LUXEMBOURG
Phone (352) 33 25 15
EARN/BITNET: SSLISBB@LUXCEP11

Gunther Schmaus
LIS Technical Director
Case Postale 65
L-7201 Walferdange
Gr. D. LUXEMBOURG
Phone (352) 33 25 15
EARN/BITNET: SSLISGS@LUXCEP11

The data presented in this statement are based on only eight countries. Israel and Netherlands were excluded, the former because its economic situation was so anomalous compared to the other countries that it did not add to this paper in a substantive way, and the latter because it was only added to LIS within the last month.

TABLE A-1: AN OVERVIEW OF LIS DATASETS

COUNTRY	DATASET NAME, INCOME YEAR AND SIZE[1]	POPULATION COVERAGE[3]	BASIS OF HOUSEHOLD SAMPLING FRAME[8]
Australia	Income and Housing Survey, 1981-82 (17,000)	97.5[4]	Dicennial Census
Canada	Survey of Consumer Finances 1981 (37,900)	97.5[4]	Dicennial Census
Germany	Transfer Survey, 1981[2] (2,800)	91.5[7]	Electoral Register and Census
Israel	Family Expenditure Survey, 1979 (2,300)	89.0[5]	Electoral Register
Netherlands	Survey of Income & Program Users 1983 (4,833)	99.2[4]	Address Register of The Postal and Telephone Companies
Norway	Norwegian Tax Files, 1979 (10,400)	98.5[4]	Tax Records
Sweden	Swedish Income Distribution Survey, 1981 (9,600)	98.0[4]	Population Register
Switzerland	Income and Wealth Survey, 1982 (7,036)	95.5[9]	Electoral Register and Central Register for Foreigners
U.K.	Family Expenditure Survey,[2] 1979 (6,800)	96.5[6]	Electoral Register
U.S.A.	Current Population Survey, 1979 (65,000)6	97.5[4]	Dicennial Census

[1] Dataset size is the number of actual household units surveyed.
[2] The U.K. and German surveys collect subannual income data which is normalized to annual income levels.
[3] As a percent of total national population.
[4] Excludes institutionalized and homeless populations. Also some far northern rural residents (Inuits, Eskimos, Laps, etc.) may be undersampled.
[5] Excludes rural population (those living in places of 2,000 or less), institutionalized, homeless, people in kibbutzum and guest workers.
[6] Excludes those not on the Electoral Register, the homeless, and the institutionalized.
[7] Excludes foreign-born heads of households, the institutionalized, and the homeless.
[8] Sampling Frame indicates the overall base from which the relevant household population sample was drawn. Actual sample may be drawn on a stratified probability basis, e.g., by area or age.
[9] Excludes nonresident foreigners and the institutionalized, but includes foreign residents.

APPENDIX 2

SINGLE PARENT FAMILIES

For poor, single-parent (or lone-parent) families with children (defined as the families with one parent only in the household), the poverty situation is considerably worse than for poor families with children in general, as seen in Table 2. Here we find that only two countries (Sweden and Norway) had high enough levels of transfer to fill the poverty gap. The United States spends by far the least amount of total benefits relative to the poverty gap for these types of families, with total outlays on 58 percent of the poverty gap target.

-- In all countries the percent of lone-parent families who were poor before tax and transfer was significantly higher than the percent of all families with children who were poor. The poverty gap for lone-parent families before taxes and transfers was also higher in every country than the gap for families with children in general.

-- Lone-parent families remained significantly poorer after taxes and transfers than did all children, even though in four countries the percentage reduction in the rate of families in poverty was greater for lone-parent families than in all families.

-- Australia and the United Kingdom had higher poverty rates for lone parents with children before transfers than did the United States. The poverty rate of U.S. lone-parent families after transfers was higher in every country but Australia.

-- U.S. public transfers to these families reduced their poverty gap by less than in other countries except Switzerland. The U.S. had the highest after tax and transfer poverty gap for poor single parent families.

Table A-2

Poverty Rates and Gaps for Lone Parents with Children

MEASURE	AUSTRALIA	CANADA	GERMANY	NORWAY	SWEDEN	SWITZERLAND	UNITED KINGDOM	UNITED STATES
Poverty rates:								
Percent of families who are:								
1. Pre-tax/pre-transfer poor	67.6	48.0	37.2	35.2	33.1	14.5	53.1	49.3
2. Post-tax/post-transfer poor	61.4	35.3	31.9	17.6	7.5	11.9	36.8	42.9
Poverty population reduction rate[1]:	9.2	26.5	14.2	50.0	77.3	17.9	30.7	13.0
Poverty gaps:								
1. Pre-tax and pre-transfer poverty gap as percent of U.S. poverty line[3]:	84	77	68	64	60	50	72	74
2. Post-transfer poverty gap as percent of U.S. poverty line[3]:	31	33	28	23	30	38	23	40
Poverty gap reduction rate[2]:	63	57	59	64	50	24	68	46
Transfers as percent of poverty gap[4]:	71	75	84	113	203	78	90	58

[1] Percent reduction in pre-tax/pre-transfer poverty defined as: Pre-tax-transfer minus post-tax-transfer divided by pre-tax-transfer (1-3/1).

[2] Percent reduction in pre-tax/pre-transfer poverty gap defined as: Pre-tax-transfer gap minus post-tax-transfer gap divided by pre-tax-transfer gap (1-3/1).

[3] The difference between the average income and the poverty line income divided by the poverty line.

[4] Public transfers as percent of pre-tax and transfer poverty gap.

BIBLIOGRAPHY

Bane, M. J. and D. T. Ellwood. 1984. "Single Mothers and Their Living Arrangements." Mimeo, Harvard University, February.

Danziger, Sheldon. 1988. "Antipoverty Policy and Welfare Reform." Prepared for the Rockefeller Foundation Conference on Welfare Reform, February 16-18. Mimeo.

Haveman, Robert H. 1987. Poverty Policy and Poverty Research. (Madison, WI: University of Wisconsin Press).

Smeeding, Timothy. 1984. "Is the Safety Net Still Intact?" In D. L. Bawden, ed., The Social Contract Revisited. Washington, DC: Urban Institute Press.

_____, Barbara B. Torrey, and Martin Rein. 1988. "Patterns of Income and Poverty: The Economic Status of the Young and the Old in Eight Countries." In J. Palmer, T. Smeeding and B. Torrey, eds., Well-Being of Children and Elderly in the U.S. Intertemporal and International Perspectives. Washington, DC: Urban Institute Press, forthcoming Spring 1988.

_____, and Barbara B. Torrey. 1987. "The Children of Poverty: The Evidence on Poverty and Comparative Income Support Policies in Eight Countries." Presented to the American Economic Association, December, Chicago, Illinois.

_____. 1987. "Money Income and Poverty Status of Families and Persons in the U.S.: 1986," Current Population Reports, Series P-60, No. 157.

Wolfson, Michael. 1987. "A Microsimulation Model of the Canadian-U.S. System of Taxes and Transfers for Families with Children." Presented to the Association of Public Policy Analysis and Management Annual Research Conference, October 31.

Chairman MILLER. Mr. Smith?

ALLEN R. SMITH, PARENT, HOUSTON, TX

Mr. SMITH. I would like to say it's an honor to be here. Unfortunately, it's not for the reason I had in mind. I was supposed to be here in about 10 years to let the world know my child just discovered the cure for the common cold. The reason I'm here is because of the children in poverty.

I'm in danger. I'm in danger and my future is in danger. When I become a senior citizen, I'm trying to figure out who is going to take care of me. Due to the massive layoffs in New York, someone told me to go west young man, and that I did. I went to Houston, TX. Life in Houston, TX, started getting better for my family and I, but due to the oil glut problem in Houston, I was left without a job. My wife and I decided to seek employment, but day care for two children were truly out of reach. So what we decided was I would seek employment for two days, my wife would seek employment for the other 2 days. Life was getting very depressing for both of us.

Finally, my wife obtained a full time position and I obtained a temporary job. But again, day care was taking almost half of our income. I'm talking about private day care. Unfortunately, at that time, we were not aware of the Martin Luther King Community Center in Houston, TX. So once again we lived only to pay for food, pay for rent and pay for day care. We were left with only one child in day care because my daughter went to public school.

In 1980 a new addition to the family and again a high day care bill, so we were right back just surviving. I felt like I was back in New York. I couldn't give up. I had to learn more skills to make it in the job market. I had a vocational college in mind, but my problem was day care centers were too expensive. A friend of mine told me about the community center. I was put on a waiting list. Again, I was getting another chance.

My son and I felt somewhat leery about the community center, but I didn't want to turn back now, not at this point. My son, like others who were there, were uncomfortable in the beginning so I got involved with the meetings to see what the programs were about. My son would come home with homework and I was very happy. They gave him this which was a positive move that they had in mind for him. I believe in the community center for my son. It gave him a good solid foundation to grow on. He learned to be independent, responsible and to believe in himself and others. His grades up to now prove it. My son does not make anything under 85. He's going to discover something.

I want to stress the importance of the Martin Luther King Community Center and every community center. Let's continue to give all of our children a chance in life to obtain a good foundation to grow on in a society where only the strong survive. There seems to be a Little Rascal syndrome going around. I'm sure if you're old enough, as I am, to remember the Little Rascals, they were the raggedy little poor children that ran around and played and were happy and smiled. But they got paid for it. These children that are running around raggedy and poor are paying for it, too. They're

dying and that's what this is all about and that's what this crowd behind me is all about. I'm tired of seeing a child drop each minute because poverty seems to a lot of people not to mean too much. And that's all I have to say right now.

Chairman MILLER. Thank you.

[Prepared statement of Allen Smith follows:]

PREPARED STATEMENT OF ALLEN R. SMITH, PARENT, HOUSTON, TX

I would like to say it is indeed an honor to be here, unfortunately, it is not for the reason I had in mind. The reason I am here is because my future is in danger. A danger it seems more and more people are ignoring, and that is the plight of the children in poverty, who is going to take care of me when I become a senior citizen.

Due to massive layoffs in New York, I decided to move to Houston, Texas to start a new and hopefully better life for my family and I. Life in Houston started looking better for my family and I, then it happened; I was out of a job. My wife decided to seek employment but daycare for two children was truly out of reach. So what we decided to do was, I would seek employment for two days and my wife would try the other two days. Life was getting very depressing for both of us. Finally my wife obtained a full time job and I obtained a temporary job, but again day-care was taking almost half of our income. Unfortunately, at that time we were not aware of the Martin Luther King Community Center. So once again we lived only to pay rent,buy food and pay for daycare. Finally our daughter started going to a public school and we were left with only one child in daycare. In 1980 we had a new addition to our family again a high daycare bill, so we were right back with just surviving. I felt I was back in New York but I could not give up. I had to learn more skills to make it in the job market. I had a vocational college in mind, but my problem was that the daycare was too expensive. A friend told me about the Martin Luther King Community Center. I was

getting another chance again. My son and I felt somewhat leary about the Community Center, but I did not want to turn back now, not at this point. My son like the other children who were there were uncomfortable in the beginning so I got involved in the meetings to see what the program was all about. My son would come home with homework and he liked it, I was happy. They gave him this which was a positive move that they had for him in mind.

I believe in the Martin Luther King Community Center, for my son. It gave him a good solid foundation to grow on. He learned to be independent, responsible and to believe in himself and others, his grades up to the present proves it.

I want to stress the importance of the Martin Luther King Community Center. Let's continue to give all of our children a chance in life to obtain a good foundation to grow on, in a society where only the strong survive.

Chairman MILLER. Reverend Delk?

STATEMENT OF REV. YVONNE V. DELK, EXECUTIVE DIRECTOR, OFFICE FOR CHURCH IN SOCIETY, UNITED CHURCH OF CHRIST; AND CHAIRPERSON, NATIONAL PLANNING COMMITTEE ON CHILDREN IN POVERTY, NEW YORK

Reverend DELK. I'm Yvonne Delk, executive director of the Office for Church in Society of the United Church of Christ and for the past year I have been working with representatives from 20 other religious and secular organizations as we have tried to plan this national event focused on children and poverty. And I want to thank you, Congressman Miller, and the members of the Committee for holding this hearing today and for the opportunity for me and the participants in our consultation to testify before you.

Everyday that I've walked the streets of New York City or Washington, DC., I am reminded of the fact that we have broken our covenant with our children. I see children living on the streets, trapped in welfare hotels, vulnerable, at risk and unprotected. It is outrageous to me that in 1987 13 million children in the United States are living in poverty, that children have fallen into poverty at the rate of 3,000 a day since 1979, that two out of every poor children are white and that nearly half of all black children and two out of every Hispanic child faces the starkness of living in poverty. I find it outrageous that nearly 40 percent of all poor people are children and that children are more likely to suffer death and sickness and hunger and cold and abuse and neglect. And that they are less likely to be born with adequate prenatal care, to be immunized, to have access to preventive health care.

I really find it outrageous that in the United States of America, more children die in the first year of their life than in countries with drastically fewer resources. That children are the poorest Americans and that poverty is the greatest child killer and that more children die in each year from poverty than from traffic fatalities and suicide combined. We have seen the situation of poor children grown more desperate as the priorities of this nation shifted from non-defense discretionary spending, which includes spending for children and families, was reduced from 25 percent of the fiscal year 1981 budget to 17 percent in 1987 while military spending rose from 23 percent to 28 percent. The children in our society are in a genuine crisis that will affect the lives of generations to come unless changes are made.

Because of our commitment to children in need, the Office of Church in Society called together our ecumenical and advocacy partners in a consultation focused on the theme "Who Will Speak For The Children." In this consultation we are speaking for the children. The voice of the religious community is being raised in clear and unambiguous tones. We believe that concern for children in our Nation is a justice issue and justice demands that all children in our society have access to sufficient material goods to meet their basic human needs and we have come to Washington to raise our own constituencies' awareness of children living in poverty, to develop specific policy recommendations and strategies, which we hope will bring an end to the poverty faced by millions of children.

And, we have come to speak to you on behalf of the children in our nation.

However, before we could speak, we believe that we had to listen. And the planning committee felt that it was critical to hear directly from the children and from their families living in poverty. It is our belief that the key to eventually turning around the present public policy initiatives most effectively ties with our willingness to listen to those individuals who are affected by the changes in policy and to organize as equal partners with the poor themselves.

We held five regional hearings between November 1987 and January 1988. And the hearings were organized by local committees who brought together poor children, their families, community and church advocates, and decision makers, including judicatory leaders, local legislators, educators, and program administrators. Approximately 100 people testified with nearly 1,200 people participating in the hearings. We recognized that not all of the folk who came here could testify before you, however they have permitted their testimonies and they hope that these testimonies will be submitted into the written record.

We all know the statistics, however statistics have faces. They are human beings. What we heard around this table is not new and the terrible stories continue to be told. So we have come with recommendations to share with you. Our recommendations are basic. People want to work and those unable to work need an adequate income.

People need education and training for the jobs that pay livable incomes.

People want welfare polices that are not designed to punish welfare recipients, but they want welfare policies that will provide real opportunity for recipients.

People need affordable housing. They want quality child care, they want access to health care and nutrition assistance.

These recommendations renew our commitment to insure that people are able to meet their basic human needs including the right of every person to food, clean water, adequate health care and decent housing. We therefore come to speak.

When we leave this room this afternoon, we will go back to our hotel to wrestle again with policy recommendations. We intend to come out of this consultation with a document which will share our common agenda for working on the issues of children and poverty and we would like to share our policy recommendations with you and with this Committee.

As people of God, we feel we must speak out against the devaluation of human life. As citizens we must speak out against why our nation's priorities have become related to building gods of metal rather than to investing in children. We feel that we are called to the task of speaking to children and after hearing the dialogue within the committee today and after hearing the affirmation that it looks like things are going to get worse, we recognize that we've got a struggle on our hands. What we want you to know is that we are committed to struggle. We're committed to work for strategies and for change. We will be advocating public policies in Washington, in the streets across the United States of America. We will be voting our conscience in elections based on persons' commitment to

work for children and we will join with our efforts to work for justice as well.

We are grateful that we are here. We're grateful for your leadership. Thank you for this ability to speak.

Chairman MILLER. Thank you.

[Prepared statement of Reverend Yvonne Delk follows:]

PREPARED STATEMENT OF YVONNE V. DELK, EXECUTIVE DIRECTOR, OFFICE FOR CHURCH IN SOCIETY, UNITED CHURCH OF CHRIST AND CHAIRPERSON, NATIONAL PLANNING COMMITTEE ON CHILDREN IN POVERTY, NEW YORK

I am Yvonne Delk, Executive Director of the Office for Church in Society, United Church of Christ and Chairperson for the National Planning Committee for Children in Poverty. I would like to thank Congressman Miller and members of the Select Committee on Children, Youth and Families for holding this hearing today and for the opportunity for me and participants of the consultation to testify before you.

The United Church of Christ (UCC) has a long tradition of affirming public policies which generate and distribute resources in ways that provide all people with the potential to live full lives. The UCC has been called upon, by the 1987 16th General Synod, to intensify its long standing commitment to economic and social justice through support of specific policies which help empower and sustain all children, particulary those children most in need. Children deserve the opportunity to uncover and nurture their gifts, to grow into their callings, to make appropriate contributions to their societies, to share in the abundance of the created world and to command the resources to live life abundantly.

Everyday that I walk the streets of New York City or Washington, D.C., I am reminded of the fact we have broken the covenant with our children. I see children living on the streets, trapped in welfare hotels, vulnerable, at risk and unprotected. In 1987, 13 million children in the United States were living in poverty. Children have fallen into poverty at the rate of 3,000 a day since 1979. Two out of every three poor children are white. Nearly half of all Black children and two out of five Hispanic children face the starkness of living in poverty. Nearly 40 percent of all poor people are children. Today, children are more likely to suffer death and sickness, hunger and cold, abuse and neglect. They are less likely to be born with adequate prenatal care, to be immunized, to have access to preventive health care.

Children are the poorest Americans and poverty is the greatest child killer. More children die each year from poverty than from traffic fatalities and sucide combined. We have seen the situation of poor children grow more desperate as the prioirities of the nation shifted. Non-defense discretionary spending, which includes spending for children and families, was reduced from 25% of the FY 1981 budget to 17% in FY 1987. Military spending rose from 23% to 28% of the federal budget during the same time. The children in our society are in a genuine crisis that will affect the lives of generations to come unless changes are made.

Because of our committment to children in need, the Office of Church in Society, UCC, has called together our ecumenical and advocacy partners in a consultation focused on the theme "Who Speaks for the Children?". In this consultation we are speaking for the children. The voice of the religious community is being raised in clear and unambigious tones. We believe the concern for

children in our nation is a justice issue. Justice demands that all children in our society have access to sufficent material goods to meet their basic human needs.

We have come to Washington to raise our constitutencies' awareness of children living in poverty, to develop specific policy recommendations and strategies, which we hope will help to bring an end to the poverty faced by millions of children. And, we have come to speak to you on behalf of the children in our nation.

However, we believe before we could speak we had to listen. The planning committee felt it was critical to hear directly from the children and their families living in poverty. It is our belief that the key to eventually turning around the present public policy initiatives most effectively ties in with our willingness to listen to those individuals who are affected by the changes in policy and to organize as equal partners with the poor themselves.

Five regional hearings were held between November, 1987 and January, 1988. The hearings were organized by local committees, who brought together poor children and their families, community and church advocates, and decision makers, including judicatory leaders, local legislators, educators, and program adminstrators. Approximately 100 people testified while nearly 1,200 people participated in the hearings. People welcomed the opportunity to speak on behalf of children. Permit me to share a sampling of what we heard.

Cheryl, from the Midwest, a mother of four who was forced by her economic situation to give up her children to foster care, said to us, "I am a citizen of the United States and a child of God, and so are my children. We are not just statistics. We are real human beings."

Debra, from the Northwest, a mother of two, said to us, "I don't want to teach my children that life is just one foot in front of the other and drudgery, that there are the haves over there and we're the have-nots and it's us against them."

Selena, from the South who has two children and has been a homeless parent, said to us, "It's like poor children don't deserve healthy, safe living conditions. Me nor my neighbors' complaints did any good, until finally several children were bitten by rats. My youngest was one of those bitten. Rather than help us by sealing up the entry holes and providing safe methods to deter the rats, my children were almost homeless again as the housing authority threatened not to renew my lease. The message was that me and my children ought to be grateful that they let us live there at all."

We all know the statistics, and now we have heard from the people who often are seen just as

statistics, the victims, or the problem. What we heard is not new and the terrible stories continue to be told. A generation of children is growing up where the future is not bright and the hope for better is, at best, a bleak prospect. We thought it was important to remind ourselves and to share with you, Members of Congress, what is going on.

What we heard at the hearings is not new and the overall recommendations are basic:

People want to work and those unable to work need an adequate income;

People need education and training for jobs that pay livable incomes;

People need affordable housing;

People want quality child care;

People need access to health care and nutrition assistance.

These recommendations renew our commitment to ensuring that people are able to meet their basic human needs, including the rights of every person to: food and clean water; adequate health care; decent housing; meaningful employment; and basic education. The task before us is how to shape these basic recommendations into achievable public policy initiatives that will make a difference in our children's lives.

We have therefore come to Washington to speak out about what our nation's priorities should be. Our country can not afford to sacrifice its children for arms and war. Year after year we have had to fight the Adminstration's attempts to cut the programs that provide basic support and assistance to poor children and their families. We have supported Congress' leadership to stave off these cuts. Our successes have been limited. After the first two years of budget cutting, programs have not been cut but the increases have been few.

The era of fiscal responsibility is upon us. For example, efforts to reform the current welfare system have been greatly restricted by resistence to investing funds to establish a minimum benefit level and sufficient monies for people to receive appropriate education and training in order to secure employment.

We look to Congress for support and leadership. Congress has affirmed its commitment to children, especially children living in poverty, over the past several years. Congress has had to respond with legislation that was acceptable within the restraints of controlling the budget deficit. Funding for the WIC program has been increased to serve an additional 150,000 infants, children and their mothers. Emergency assistance for the homeless was passed last year but we know that what was appropriated was less than half of what was authorized. Medicaid has been expanded to serve more poor families. Child nutrition programs received a modest 2% increase in funding when the programs were reauthorized in 1986.

There continues to be positive legislation coming out of Congress this year. The Act for Better Child Care Services will provide much needed child care services to low and moderate income families. The Emergency Hunger Relief Act, soon to be introduced by Rep. Panetta and Sen. Kennedy, will make improvements in the food stamp program and increase funding for WIC and other child nutrition programs. Legislation has been introduced to increase the minimum wage.

We know this is not enough, and these are only first steps toward lifting children out of poverty. Children must be seen as an investment in this nation's future. Investing in children must be seen as the best approach to national security. We agree with the Select Committee, "Investing in children. It takes more than a big heart, it takes a smart head." Participants at the consultation will be developing policy recommendations in the areas of health and nutrition, income, child care, children's services, and housing. We are expecting refinements of the current programs and new approaches to be developed. These policy recommendations will be generated from the grassroots, from the testimony received at the regional hearings, and from the participants at the consultation. From these policy recommendations a policy agenda will be set forth that folks, churches and synagogues, and community organizations will commit to work on over the next several years. This will be an agenda for children. We will be very happy to share this policy agenda with the members of the committee and other Members of Congress when it is completed and look to you for continued leadership.

As a people faithful to God, we must speak out against this devaluation of human life. As citizens, we must speak out against what our nation's priorities have become. It is our children and our nation's future that are at stake.

But who will speak out for these children--children who cannot vote, who don't choose their schools, who aren't responsible for their own nutrition and health care? Who will speak for the children? We will -those of us gathered here for this consultation.

We are called to that task. And with it, we also are called to listen--to listen to the voices of poor children, their families and the organizations that work closely with them. Together we are called to act.

And so today is but a beginning of a struggle as we join hands, and not only cry out for justice, but work together to see that it comes about. Let us begin. Thank you.

Chairman MILLER. Pastor Dugar?

STATEMENT OF NATHANIEL DUGAR, PASTOR, THE WAY OF THE CROSS CHURCH, WASHINGTON, DC

Pastor DUGAR. Thank you, Mr. Chairman and to the rest of the Committee that are here and all that's present today on this very touchy issue.

I would like to begin my speech off of the printed text that I've given, by saying that we need to take a moment, if we might, to maybe clear our minds of a very sticky situation that happened over the weekend with one of the favorite national evangelists in our country. And from this area I bring my testimony to this committee today, is from a religious and God-fearing community.

This thing with sin that is plaguing the church and the people of God and where people are throwing stones and criticizing monies that are given to organizations such as ours to do the work and the misuse of the funds, I would just like to start by saying we need to forgive all of those for misconduct and for sins committed against any committee and moneys that are given to aid the poor in our country. And if we could do that. I think the Bible said so that we ought to learn to forgive each other for faults that are committed once against the other. And I'd like to start with that.

On the printed text that I've submitted or my statement, it begins with the fact that I am the pastor The Way of the Cross Church in northwest Washington, DC. In working with people who belong to lower income brackets and are poverty stricken, I have discovered that they are sometimes pressured to take unusual and illegal measures in order to survive their problems, such as drug abuse, teen pregnancy and joblessness there is a desperate need for programs that utilizes committed professional volunteers with backgrounds in areas such as education, social work and pastoral care. It would also be helpful if those volunteers include people to whom have successfully risen above poverty, yet still understand the need for community commitments. And finally, and most importantly, there is a primary need for each person in the community to become a—come to grips, rather, with their own Godgiven responsibilities. And I believe we all have a Godgiven responsibility, irregardless of whether we are the poor recipient or whether we're the people who are to aid them. According to Ephesians 4:28 men ought to work and to provide for himself and to be able to help those that are less fortunate.

Poverty as defined by Webster's "New World Dictionary" is a lack of resources for reasonable and comfortable living. In my experience, it is the frustration of not having enough resources such as a job, food and shelter that cause people to feel the pressure to commit violent acts and/or unusual behavior.

In one such case, I was asked to counsel a couple once whose baby was mysteriously rendered to death. The medical examiner's report stated that the child suffered from contusions and was scaled from the waist down. My option, after counseling with the couple, is that incident occurred as a result of frustration of not having sufficient means of support.

Having been raised as a child of poverty myself, I know a great deal about the types of frustration people in poverty embrace. Without knowing that there is someone to care and show concern for them, many suffer from a lack of self- esteem. And if I may stop there for a moment to address the fact that a gentleman on the earlier panel asked a question about is there anyone in our community that we know of that may be comfortable or in the poverty stricken condition and not wanting to come out. Well, I believe Mrs. Fields stated that she knew of three people who was comfortable in the state in the condition. And I would say that these people who may be comfortable in their poverty stricken condition may lack esteem. And what our program hopes to do is to go into that community and find those people who have no ambition or have no self-esteem and to create ambition and self-esteem in that person because these people lack self-worth. It is very tempting to acquire an illegal lifestyle that involves drug abuse or prostitution, and the like, this increasing danger of being killed and/or imprisoned or the like.

In order to acquire the necessary skills and motivations for successful living and to protect from danger of being killed in the streets or being caught on drugs, either use or sale, one must first focus upon oneself. As I explained to the youth during a recent talk at the Oak Hill Correctional Center, one cannot embrace or embark upon life without a foundation in his maker, who is God. Starting life without such a foundation is treacherous for anyone and even more so for someone who faces difficult and dangerous ways of life.

The advantage of knowing our maker means knowing that He asks of us and part of His requirements include knowing how to love each other, being responsible, putting in an hour of work, honest work, per day and being responsible one for the other. In Second Thessalonians 3:12 it tells us that we ought to work and to be mindful of aiding those who have not a job.

In this country there are hundreds there are hundreds and thousands of people who have enough money to maybe support 12 families in their entire lifestyle without being hurt for one dime that is given to aid them.

Furthermore, also, with my parishioners at The Way of the Cross, do not believe that sending people to jail or capital punishment nor welfare programs are the solutions to the problems in our community. My experience is as a correctional officer at Lorton Correctional Center taught me that it is in jail where people learn how to become better criminals or to live in a poverty stricken condition and to pray upon those who may have that will add them after taking it by force.

Secondly, capital punishment solves nothing. It is murder and as such, does not treat the underlying cause of a problem.

Lastly, from a biblical perspective, we are taught to work diligently and honestly, and to give to others. Therefore, welfare is not a solution either because it encourages many capable working people or people who can work to stay at home and to escape God-given responsibilities as in Ephesians 4:28. What is needed are facilities for individual training, motivation and encouragement, that, at a minimum cost to the community would prepare individ-

uals to enter or to re-enter the society as a useful and well-trained responsible citizen. These programs would cover all of one's needs from personal, spiritual, emotional, social and et cetera, to practical jobs participation, training and management, finance associations and et cetera.

Programs for community betterment now under consideration and in their initial stage at The Way of the Cross Church includes purchase of home—purchase of a home behind our church to be called The Carrington Center and use—to be used as a multipurpose facility to handle such problems such as teen pregnancy, drug abuse, and illegal use of force in stealing and robbing, and people who walk the street homeless. Our facility is geared to handle these kind of problems. A center also to provide day care for unwedded mothers and temporary shelter for those that are homeless.

A ministry for those recently released or being rehabilitated from prison.

Special programs for elderly and retired.

Youth programs with particular emphasis directed to teenagers.

A cafeteria to serve the hungry and the community.

A nonprofit credit union to give us bargaining power with those who have monies that would aid us in our effort to serve the poor.

In our solution, we receive fundings from the STEP Ministry, which is a Strategies To Elevate People that are being operated from the suburban churches and uniting the inner city churches together to work and to form means and ways to aid the poor and needy. The suburban churches run skill programs in their churches to find people who have skills that can aid the poor in all their walks of life, whether it be medical or whether it be educational, whether it be materialistic or whatever. This STEP program is a program designed to aid these people in these areas.

And our hope is to solicit money for the STEP program and for our church program to help us and to try and solve the ever increasing problem with poverty.

Now, it was said earlier—in the earlier meeting that we're not going to really get rid of the poor, nor are we going to get rid of the condition of poverty. I believe that that may be true because the Bible says so. The poor you will have with you always. Nevertheless, it does not stop us from working together as a team to aid and assist as many as we can and lessen the problem of those who do work of having their homes vandalized and robbed while they're working and their people killed as they walk the streets from those would seek moneys to buy drugs and other illegal substance.

I want to thank you today for allowing us to come and to speak on this panel concerning these ever increasing problems with poverty with both children and parents and the people in the Washington community.

Thank you so much for allowing us.

Chairman MILLER. Thank you. Thank you very much.

[Prepared statement of Pastor Nathaniel Dugar follows:]

Prepared Statement of Nathaniel Dugar, Pastor, The Way of the Cross Church, Washington, DC

My name is Nathaniel Dugar and I am pastor at The Way of the Cross church in N.W. Washington, D.C. In working with people who belong to a lower income bracket, or are poverty-stricken, I have discovered that they are sometimes pressured, to take unusual or illegal measures. In order to solve these problems, such as drug abuse, teenage pregnancy, and joblessness, there is a desperate need for programs that utilize committed professional volunteers with backgrounds in areas such as education, social work, and pastoral care. It would also be helpful if those volunteers included people who have successfully risen above poverty, yet still understand the needs of the community. Finally, and most importantly, there is a primary need for each person in this community to come to grips with their own God-given responsibilities.

Poverty, as defined by Webster's New World Dictionary, is a "lack of the resources for reasonably comfortable living." In my experience, it is the frustration of not having enough resources (such as a job, food, or shelter) that cause people to feel the pressure to commit violent acts and/or unusual behavior. In one such case, I was asked to counsel a couple whose baby, by mysterious means, was rendered dead. The medical examiner's report stated that the child suffered contusions and was scalded from the waist down. My opinion, after counselling with the couple, is that the incident occurred as a result of the frustration of not having sufficient means of support.

Having been raised a child of poverty myself, I know a great deal about the types of frustrations people in poverty embrace. Without knowing that

there is someone to care and show concern for them, many suffer from a lack of self-esteem. Because these people lack self-worth, it is very tempting to acquire an illegal lifestyle that involves drug abuse, prostitution, and the like, thus increasing the danger of being killed.

In order to acquire the necessary skills and motiviation for successful living, and be protected from the dangers of the street, one must first focus upon oneself. As I explained to youth during a recent talk at the Oak Hill Correctional Center, one can not embark upon life without a foundation in God. Starting life without such a foundation is treacherous for anyone and even more so for one who faces a difficult or dangerous way of life. The advantages of knowing our Maker means knowing what He asks of us and part of His requirements include knowing how to love each other, being responsible and putting in an honest day's work.

Furthermore, I along with my parishioners at The Way of the Cross, do not believe that sending people to jail, capital punishment nor welfare programs are the solutions to the problems in our community. My experience as a corrections officer at Lorton Correctional Center taught me that it is in jail where people learn how to become better criminals. Secondly, capital punishment solves nothing. It is murder, and as such, does not treat the underlying cause(s) of a problem. Lastly, from a biblical perspective, we are taught to work diligently and honestly, and to give to others. Therefore, welfare is not a solution either because it encourages many capable workers to stay at home and escape these God-given responsibilities.

What is needed are facilities for individual training, motivation, and encouragement, that, at a minimal cost to the community, would prepare indi-

viduals to enter (or re-enter) society as useful, well-trained, responsible citizens. These programs would cover all of one's needs, from personal (i.e. spiritual, emotional, social, etc.) to practical (i.e. job preparation, time management, financial assistance, etc.). Programs for community betterment now under consideration and in their initial stages at The Way of the Cross include:

1. Purchase of a home behind the church to be called The Carrington Center, and used as a multipurpose facility to handle such problems as pregnancy, drug abuse, and legal issues. The Center would also provide day care for unwed mothers, and temporary shelter.
2. A ministry for those recently released and/or rehabilitating from area prisons.
3. Special programs for the elderly and retired.
4. Youth programs with particular emphasis directed at teenagers.
5. A cafeteria serving the hungry as well as the community.
6. A non-profit credit union.

In our situation, we receive funding from the STEP (Strategies to Elevate People) foundation, which unites suburban churches with inner city congregations in order aid poor and needy families. But STEP's support is not sufficient to cover all of the problems of the community surrounding our church, nor can the community wholly support itself. Therefore, both the governmental and private sectors must join together against poverty. Their support is an investment in the betterment of not only one community, but of Washington, D.C., and in general, the whole of society. We firmly believe that programs, such as those suggested, which foster a purpose and ambition for life, are the solution to overcoming poverty.

Chairman MILLER. Thank you very much. For almost this entire Administration, Mr. Smeeding, there's been a debate going on every time the government releases poverty figures or an institute or organization releases poverty figures or a discussion of how people are doing in America, we constantly get into this debate of whether or not those figures include or don't include transfer payments and in kind benefits, whether it's food stamps or school lunch programs or housing vouchers. If I listened to you correctly, what you're telling me was when you get all done with that debate and if you want to adjust those figures for the transfers, you're still going to end up with a lot of poor people in this country?

Mr. SMEEDING. Yes, sir. That's true.

Chairman MILLER. And you're going to still end up with a lot of poor people who are poor among the poor, if you will; as you said, below 75 percent of poverty or Mr. Greenstein pointed out earlier, the people at or below half of the poverty level. So when you get all done with that debate, while I'm sure it's interesting and important in terms of proportionate roles that various institutions play, once again it just doesn't address the question of people entering poverty.

Mr. SMEEDING. There's no doubt about that. The figures I've presented for instance, do not include medical benefits. But all these other countries have national health care programs.

Chairman MILLER. They didn't get the benefit in your study, of the fact that they had national health care programs and we didn't have any?

Mr. SMEEDING. It's not counted here. Nobody else has 37 million people who don't have health insurance.

Chairman MILLER. Let me ask this: Mr. Greenstein said something earlier, and I have said something similar to this, and that is in the past we will equate increases in Social Security benefits or we will credit increases in Social Security benefits with lifting the elderly out of poverty. We had a trend going in this country up until this Administration of moving children out of poverty as AFDC payments or various payments took place. You know, this was a trend. Mr. Greenstein suggested that we're no longer—I don't want to put words in his mouth, but I was left with the impression that those benefits now are playing a smaller role in lifting people over the thresholds of poverty. Is that a fair——

Mr. SMEEDING. That's absolutely true. It's clear that eligibility levels have been cut back and also that benefit levels in real terms for programs aimed at the poor, have fallen so they don't do as much good. Moreover we don't have a child allowance program or a child tax credit which other countries have.

Chairman MILLER. I guess the worst part of your testimony is that maybe liberals should have quit arguing a long time ago about whether to include the benefits or not include the benefits and just pursued what was the level of support people needed.

Mr. SMEEDING. As you perhaps are aware, the Census Bureau's numbers on that issue came from me. I was the person who under congressional order in 1980 estimated the impact of non-cash benefits on the poor for the Census Bureau.

Chairman MILLER. OK. So now that the Congress has mandated that that be done, the truth isn't good.

Mr. SMEEDING. Yes. It's just what Bob says. Noncash benefits lower the poverty level a little bit, but once you count these benefits, the increase from that level since 1979 has been greater in percentage terms than the increase in the official poverty rate. It's just —it's not a solution. The arguments that nobody's poor once you count in kind benefits is just absolutely, positively false.

Chairman MILLER. So that's not good news after we went out and said we will find the real answer. The real news isn't good. Mr. Smith, I remember asking a previous Secretary of Labor in this Administration what we were going to do about unemployed people in the northeast and elsewhere and his answer was, "Well, if they would just move, everything will be fine." That sort of worked for you.

Mr. SMITH. It sort of did, but it didn't.

Chairman MILLER. But it didn't. Let me ask you this, if I look at your testimony correctly, you and your wife now both work but your children, they're now school age, right?

Mr. SMITH. All of them are at school age.

Chairman MILLER. But after school they're fending for themselves?

Mr. SMITH. Yes. They are taking care of each other——

Chairman MILLER. So the Martin Luther King Center does not address care for their age groups?

Mr. SMITH. For my children? No, not at this point. What Martin Luther King Community Center, what I would like it to do is to take care of the child that's next door to me or the child that's down the block or the child that's a mile away because my children, just like all the other children in this world, will have to deal with each other. And I'd like to feel very, very comfortable that as I instill a positive thought in my child, parents can do the same thing. My children look into my eyes. They don't see too much sadness and too much pain. But when they were younger, they saw it. I had too much pain. And I had to turn my back just to not let them get used to seeing what they saw in me.

Chairman MILLER. And let me interrupt you just for a second. I understand that the transportation for some people back to the hotel is here and is going to be leaving in a few minutes, so just feel free to leave when and if you must. And again, thank you for participating with us this morning.

Go ahead. Excuse me, Mr. Smith.

Mr. SMITH. Well, my son right now, like I said, he's making 85 and up. That's what I look for. He's even worried about not passing the third grade. You know, he has this idea I have to put—no, not have to. I temporarily put my life on hold for my children because the struggle seemed so hard. The—it's so easy to fall into a rut, you know, because the positive models out there are few.

Maalox is making a very good business and I'm drinking Maalox, too, sometimes and I'm sure a lot of politicians, senators, so on are drinking a lot of Maalox because after I came here, I still have to go back home and I still have to see what's there. And I still have to tell my children you have got to keep on believing. And that's what I'm doing. I'm believing.

Chairman MILLER. You know, we had a hearing here in the District of Columbia up at Friendship House here on the Hill. And we

talked with a lot of families, poor families, poor working families looking for work or unemployed. And I think one of the things that struck me the most, and I guess it certainly was no news to those families, but I tried to talk to my colleagues about it, and that is the incredible energy and courage that you really have to have to just maintain yourself in this system. The exhaustion. You know, you used a phrase that nobody would use, I think, from an upper income level about their children. And that is, you didn't want to see the child drop. And, you know, the sense of you have to keep this frenetic energy going but eventually it's conceivable you lose.

And I remember a number of the families talking about and describing for members of Congress what it meant to have a dead battery and then trying to either desperately find the means of getting that battery charged or getting a new battery or knowing you were going to have to call your employer and that employer is going to say "You're fired." Now that dead battery, which would be routine in my family, is an economic catastrophe in that low income family, in that working family. And I think it's just hard for people to understand what it means when you talk about trying to maintain a family in the Martinique or the Jamaica Arms and I'm sure, Pastor, you have people whose families are under assault, if you will, from the environment on a daily basis.

Now we're reading these horror stories that are going on in the District about young people shooting one another and infants being killed, but there's some very good people at the center of that storm. And I just hope one of the things that happened here this morning was that some policy makers will start to understand that we ought to be giving awards for survival in this system. I mean there ought to be congressional medals for people who can raise a child in this system. We talk about heroes and the President's had people stand up in the balcony at different times, but, there's no score card for people who could earn a congressional medal because their family survived in America. And that's a horrible, horrible comment. But at a time when Mr. Smeeding is here telling us that the resources that policy makers like to think are being made available aren't being made available, they won't make the difference that you hope they would when you authorized them. We get into a debate here about who is more irresponsible, the White House or Gracie Mansion. Then there are people who live in that turmoil. And I think we've got to come to grips with it.

I'd like to think I'm an optimist. I'd like to think that it's starting to hit home. Maybe it's because there are so many homeless people that some of the Congress is now starting to think that this isn't temporary, that we will have to do as Mr. Weiss and Mr. Morrison pointed out. We're going to have to create units. We're going to have to create housing or it will never happen. But that struggle and, Mr. Smith, you know, I really appreciate you coming here and laying it out, not because you're a success story and I think everybody here would tell you that. But I don't suspect that you believe that about yourself yet because there's so far to go and it's so tenuous.

Mr. SMITH. Make sure you do say I am not a success story. I am still struggling. My children are still struggling not because of the

color of their skin, because of what society deems as more important.

Chairman MILLER. You know, I had a friend once who had a cocaine habit. And when he came back from treatment he got a great deal of press about being cured. And he says, "No, no. Today maybe. Tomorrow's another day and another struggle." I think that we all too often here grab onto you as the success story and that makes us feel better that you got through the system without realizing that the whole thing could disappear from people with no resources, with no reserves, with no assets. The whole thing could disappear tomorrow. And I don't think we appreciate that.

Pastor Dugar, in the STEP program, what you're telling us is that you're now working in conjunction with the suburban church.

Pastor DUGAR. Yes, sir.

Chairman MILLER. And that you're sharing some resources and some problems between those two institutions?

Pastor DUGAR. Yes. We don't have the adequate resources to really aid us in our efforts to serve the poor. However, we're struggling with the little we do have. Now, I myself as a worker with the STEP program and the suburban churches who are supporting with as much finance and other substance as they possibly can, we still have tremendous problems.

I just target another family that's really struggling. It's my nephew, to be frank with you. He's living with a young lady, they're not married, they have three children and he came to me at midnight and got me out of the bed and says, "It is time for someone to do something for us. The drugs is getting to be the next answer to us surviving or to just try to hide the reality of what's happening." And he says—and my wife and my kids we're all crying together and praying that someone would help us. And I said, "Well, that's what our program is designed to do." Is to get families such as this young man and to go in and not condemn them, but to aid them. She's on welfare and he's working at 32 hour week security job and they're just struggling with it. And they just don't have enough. They live in mid southeast where there is drugs and a host of other problems.

And we just don't have—I'm going to have to leave my job because I've been working nights. For the last 21 years I worked for the District Protective Services and cared for my family on a very, very minimum income and then having to share my resources with others. And it's getting to be so now after I get older that I can no longer work at night and then work all day, too. So I'm going to have to give up the night work and work all day to try to provide for not only myself, but for all of those people who are saying, "Yes, we want to do more and better but we don't have anyone to help us and we don't have moneys." And if we can get monies to help me, first of all, so that I don't go under and then to share with others that we can pull them out and tell them they do not have to sell drugs in order to survive. They don't have to get out and sell automatic weapons that the police department is getting to arm themselves with is not going to help this young man that I'm getting ready to help. It's not going to help them. It's not going to help the rest of the community. We're not at war. This is not Vietnam. This is not Cambodia. This is America. And we don't need

automatic weapons to control drug traffic, but we need people that's concerned about people. We don't need more semi-terrorists, we don't need more prisons, we don't need capital punishment. We need people who has resources and say come on, we are our brother's keeper and embrace them and let's get the job done.

Chairman MILLER. Thank you.

Reverend Delk, thank you very much for all your help to this Committee and for this conference. And we, obviously, look forward to the conclusions of the conference and the testimonies that you brought here without objection will be made part of the record of the Committee. And I just wrote down here something that you said, that we are at the point where the question is do we have the willingness. The evidence is in now and, as you heard me say earlier, now it's really a national question.

We have discovered the poor, we've analyzed them, we've categorized them, we have done all of that. Now the question is: Do we have the willingness to really try to eradicate poverty and to let them participate in our economic system, in our society to any of the degree that certainly those of us in public policy positions are? And I really appreciate your help very, very much.

Congressman Weiss.

Mr. WEISS. Thank you very much, Mr. Chairman.

The Martinique itself doesn't happen to be in my district, but it's very close by. But the Holland Hotel, which is the other hotel that was mentioned by the prior panelists, is in my district and there are countless horror hotels in the city of New York.

A couple of months ago I had occasion to visit a renovated brown stone building in my district very close to where these hotels are located. Created by a small private, family foundation. The people who occupy it are single mothers with infants, the oldest child I think there was four, four and a half years old. They were people who had been taken from city shelters or welfare hotels. There was absolutely no difference in the population source of that building from that of welfare hotels. The difference was that they were living in clean and well maintained rooms. Another difference was that a nonprofit social service organization had staff present in the building. And when a mother had to go out looking for a job or for training, there was somebody to take care of the children.

And you could not imagine that those children and those mothers were basically the same people as those who were living in the Holland or the Martinique and one of the other awful hotels. On the average, each family stays for 5½ months. And so the point is that we know what the answers are and we know what can be done to save and to turn lives around. The subcommittee that I chair on government operations has held hearings around the country on homelessness. And what impresses me is that the private nonprofit organizations, religious and otherwise, just seem to be overwhelmed. And I'd like your thoughts as to what's happening in the effort by the nonprofit, by the volunteer groups to deal with the problem which government has obviously and to a significant extent, turned its back on? To what extent and how long can your organizations continue doing this work?

Reverend DELK. It really is amazing when you look at the number of programs sponsored by church religious bodies and a lot

of volunteer organizations that are really concerned about the issue anywhere from food pantries where people can come anywhere from opening up their facilities so that they have increased number of feeding programs and even some churches, some churches opening up their facilities to use them for shelters for people who are coming off the streets.

The real issue though is that these are, in a way, direct services almost like one-on-one. In a way, they're almost like charity programs. They are charity programs. They are the ways in which we have opened up our hearts, but they are not the solutions. They can only be a stop gap measure. And we celebrate the numbers that are beginning to respond, but we know that the solution to this has got to be that we've got to figure out a way to change the system. It is not only the direct services, it's not only the charity programs, but that it is the ways in which we fight to change the system. And that's why we know that we've got to put as much energy as we put into opening up our churches, trying to figure out programs that will provide presence and standing alongside of folk as they struggle. We've got to put as much energy into moving to demand of our nation that it change its priorities. That we've got to do both and. It's not only the direct services, but it's talking about where our nation votes and places its priorities. That's why we're talking about turning around the kind of priorities that put so much into defense and so little into the development of human resources. That's why we are talking about what does it mean for us to get into economic justice as well to talk about changes within the context of the economic system.

And so I think the churches know that the direct services are needed, our presence is needed as we try to stand alongside people who are trying to survive, but at the same time we've got to put a lot of effort into trying to redirect, help our country to redirect, its priorities if we are to do the long standing kind of commitment to help people really find a way up out of poverty and homelessness and all of the other issues that face us.

Mr. WEISS. Mr. Smeeding, do your studies at all indicate the kind of role that the nonprofits, the nongovernmental organizations have undertaken and what the extent of their capacities are?

Mr. SMEEDING. No, no they don't. Actually, in fact, all the numbers and data that we have, including the numbers that we use in this country, totally exclude the homeless because we go out and we survey people by where they live. So the homeless aren't even included in the poverty rates and numbers that were quoted this morning or in the family income statistics that were presented by Mr. Greenstein because they do not have addresses.

As far as your other question goes, there is some indication in Census income of private contributions received on a regular basis. But there really is no record and no systematic attempt to deal with the sorts of aid that Reverend Delk and Reverend Dugar here are giving to people who need it.

Mr. WEISS. I mean, we have been playing a numbers game on homelessness for the last 5 years or so. And we still can't get an accurate number. All we get is a range and the range, I guess, is now up to as high as 5 million and——

Mr. SMEEDING. Well, as far as the ranges might go—the number is somewhere between 500,000 and 1 million, I think, but there are 33 million poor people besides that. So while homelessness is a very critical issue, and while these people are clearly in great need of help, they're a small number compared to the number of people who are below the poverty line. But still, I don't want to belittle homelessness or say that 5 million is not correct, because there's a very serious problem.

Mr. WEISS. Yes. In fact, as of 3 years ago the range was like 350,000 to 3 million. The numbers are higher at this point but again you're quite right. Nobody seems to have the will within the Government to really try to take an accurate count and, in fact, when they've taken surveys of the people who are providing services to the homeless to try to determine the numbers there are always statistical grounds on which they're discredited, right?

Mr. SMEEDING. Yes.

Mr. WEISS. And that makes it easy to dismiss the problem as, in fact, not being as bad as it is.

Mr. SMEEDING. I think that's true.

Mr. WEISS. Yes. Good. Thank you, Mr. Chairman.

Chairman MILLER. Thank you. Excuse me, go ahead, Ms. Delk.

Reverend DELK. I just want to say two more things. I wanted to say in response to something Mr. Weiss said a little earlier triggered something.

I was at a meeting the other day and the speaker asked the question do you believe that humanity is basically good or do you believe that Humanity is basically evil. Most folk in the room raised their hands to say we believe that humanity is basically good. There were two people who said we believe that humanity is basically evil. One was a Jewish brother who was sitting there and the Roman Catholic priest who was there who was, in fact, the presenter. And he was saying I believe that it's basically evil because of what we are willing to live with. What we are willing to live within the context of our country. When we make our peace with the problems, the problems now have become solutions.

We talk about ghettos not as problems as any more, but we talk about them as solutions. We don't talk about the whole situation that effects children. I mean we talk about the least that we can do, the least we can do. We talk about that as a solution. We don't talk about that as a problem. As long as it's the least that we can do, we're going to have large numbers of folk who are outside.

The other thing is, it is a horrible sense to me that we have devalued people the way that we have. When we let people feel that they are the problem, when families, when mommies come needing aid for their families and we say to them, "You are the problem," so that to even use the word welfare is to create a sense of no worth in a person. You don't even want to live under the label because we have caused you to be the problem. We've turned the problem away from us onto those persons who are struggling to survive and it's no wonder that we can marvel when people's spirit somehow can rise above that because we have used our definitions, not to in fact enhance life, but to devalue it. And when we understand that, maybe we can come up with some policies and programs that will be more effective.

The final thing I say is this: The enemy for us is not only an enemy off the shores of the United States of America. The enemy for us is not only the sisters and brothers in Russia. But the enemy is also us. It is the way in which we have not invested our resources.

The best way we can defend our country is to invest our resources for our human beings, resources that can help us to become the kind of proud country that we want this country to be. And until we understand that and begin to invest resources that enhance life and that can enable us to be really strong from within, we're going to continue to find ourselves whistling in the dark and coming up with programs that do not really enhance life but simply throw things at it as a opposed to really enabling folks to be valued. And so I pray for congressmen and folk alike who really will begin to value life and the kinds of decisions that we make and the priorities that we vote.

Thank you.

Mr. WEISS. Thank you. A very powerful and very accurate statement. Thank you.

Thank you, Mr. Chairman.

Chairman MILLER. Thank you. Thank you very much for your help to the Committee.

The next panel that the committee will hear from will be made up of Matthew Melmed who is the Executive Director of the Connecticut Association of Human Services from Hartford, Connecticut. Madgelean Bush, who is Executive Director of Martin Luther King, Jr. Community Center from Houston, Texas. Chenay Costen-Boyce, who is the Advisory Board Member of the Northeast North Carolina Rural Day Care Association, Inc. and I think my colleague from Iowa would like to introduce the other member of the panel.

Mr. GRANDY. Thank you, Mr. Chairman.

It's my pleasure and privilege to introduce a constituent and a colleague who I have worked with, Mr. Robert P. Sheehan, who is the President and Executive Chief Officer of the Boys and Girls Home and Family Services in my hometown of Sioux City, IA. Mr. Sheehan and I have worked together on a number of projects, specially promoting the Boys and Girls Home.

I would just add parenthetically that this is a facility that has been providing service to the Siouxland community and northwest Iowa for many, many years. Indeed, my mother served on this board when I was a youngster. I am pleased to have Mr. Sheehan here today representing a midwestern point of view in these discussions.

Thank you, Mr. Chairman.

Chairman MILLER. Thank you. We'll take you in the order in which I called your name. Like the previous panels, your written statement will be placed in the record of the hearing and you proceed in the manner in which you're most comfortable.

Welcome to the Committee.

STATEMENT OF MATTHEW E. MELMED, EXECUTIVE DIRECTOR, CONNECTICUT ASSOCIATION FOR HUMAN SERVICES, HARTFORD, CT

Mr. MELMED. Thank you, Mr. Chairman. And thank you for holding these hearings and allowing me to testify before you today.

I'm here to talk about an issue which I believe challenges our values; challenges the very nature of what our government is about and, most importantly, talks about our commitment to our children.

The issue is not one that you would associate with an affluent state like the one that I come from, Connecticut, which has the highest per capita income in the United States. However, it is an issue that we have found effects our neighborhoods and hurts our children. It's real and its impact is real.

For years community groups in our state and around the country have been trying to identify the existence of hunger among children. They have reported it, but the reports are frequently dismissed as being subjective or being anecdotal. We've heard the stories before, but they're just stories.

Policy makers we tried to convince would always want to have the hard data, the type of data that community groups could not, in fact, develop. These groups did not have the expertise to do that. That is why we developed something called the Community Childhood Hunger Identification Project or CCHIP, for short. What CCHIP does is provide a scientifically valid survey instrument that community groups throughout the country can use to identify hunger in their communities. We developed the instrument and methodology with the assistance of a very able staff and a technical advisory committee made up of scientists from such institutions as Yale and Harvard and chaired by Dr. Victor Seidel, Distinguished Professor of Social Medicine at the Montefiore Medical Center and the Albert Einstein College of Medicine.

We chose first to field test and apply the CCHIP methodology in New Haven, CT. We selected New Haven, the home of Yale University and the district which Congressman Morrison, who was here earlier, represents, not only because it is the seventh poorest city in the nation, but also because we were aware of the frustration of community groups over the course of many, many years who sought unsuccessfully to put the child hunger problem on the city's agenda.

Their frustration was put into sharpest focus by a group of teachers in that city who testified before the New England Commission on Hunger. Those teachers told us they could tell which children in their classes were hungry. The students showed the telltale signs. They were listless, they were inattentive, they had physical symptoms and they complained of hunger.

The teachers made some poignant observations about the effects of hunger among children in their classrooms. They noted when younger children come to school on a day when school lunch is not served, and they bring a lunch from home, they automatically share their bag lunch, with the children who did not have any. They did so naturally without even being asked. Yet the older children behaved differently. Those who did have lunches are very pos-

sessive about their lunch. They keep their arms circled around the bag lunch to make sure that no one else could take it from them. There are also children who don't have lunch who resort to stealing food. A certain distrust sets in for that older child who has known hunger. Perhaps what is most alarming is what from the teachers report the children say, most of them don't have breakfast in the morning.

Yet, despite reports like these, from teachers and community groups about hunger existing in the city of New Haven; the board of education consistently refused to consider the participation of the city schools in the national school breakfast program. The words of the teachers and others in the community were dismissed as isolated stories with no foundation in hard fact.

So we set out to see for ourselves. Armed with the technical backup of the CCHIP methodology, we created a marriage between science and community organization. I'm not going to take your time this morning to go into the details of the methodology. I am not a scientist, but I can tell you it is in my written testimony as well as in the other documents we supplied to the committee.

In summary, what we did was to utilize a very rigorous, a very scientific method in terms of research and sampling techniques. We created for the first time an operational definition of the word hunger that could, in fact, be measured and that definition has been recognized in the scientific community as well as by officials within HSS as being an excellent tool to measure hunger.

In our interviews with households in the city, 403 households in total were interviewed, we received extremely candid reports about the struggles they face and the choices that they are forced to make. Not one of the respondents beginning the survey failed to complete it. And only two refused to provide income data. We attribute that relatively low refusal rate to the fact that we used community people to actually do the interviews. We trained people from the community to go in and to do the interviewing. It wasn't a stale university type of study using graduate students to go in.

Let me give you a feel of what the neighborhood is like. 75 percent of those in the neighborhood live below the poverty level and 59 percent receive food stamps; 57 percent had not completed a high school education; 55 percent were Hispanic, 42 percent were black, 3 percent were white. What is interesting is we used the Census data to determine which group—which neighborhoods we wanted to go into, but the neighborhood had changed so much since the Census was done that we found that there was, in fact, a much higher preponderance of Hispanics and blacks and less of whites than we expected to find; 66 percent of the households were single-parent households.

Now I would just like to share with you briefly some of the findings that are contained within our study. The most significant and most disturbing finding was that one quarter of the families in this particular neighborhood, the Hill section of New Haven, were either chronically hungry and at risk of being chronically hungry.

The study found that 18 percent of families with children between the ages of 1 and 11 have a chronic hunger problem and another 7 percent are at risk of developing a serious hunger problem.

We characterized that as saying that they're one rent increase away from being hungry.

In addition, we found that 65.3 percent of the household experienced at least one indicator of a hunger problem.

We also found that families who have the hunger problems had an average annual income of about $9,000 or $2,000 per person. This represents 76 percent of the federal poverty level. And while poor families participated in a greater number of public assistance programs, the income from all those programs added up, and this goes to your earlier statement, Mr. Chairman, were not enough to bring the total income of that hungry group up to the poverty level.

We did find that the families who usually had enough food had an annual income of about $11,600 or $3,000 per person, which at the time that we did the study was 104 percent of the federal poverty line.

We also found, and this is not surprising I think, that 21 percent of the one-parent households had inadequate food supplies compared to six percent of the two-parent households.

In terms of data on food purchasing and expenditures, we found that contrary to the stereotype we hear so often, poorer households using food stamps buy fewer of the more expensive prepackaged foods than households with the higher incomes. We also found that 93 percent of the hungry families say that food stamp benefits did not last all month, yet only 13 percent could add their own resources to the food stamps to purchase additional food.

The most frightening aspect of our findings on hunger dealt with its impact on children. Children from families with insufficient food supplies were much more likely to eat nothing for lunch than children with families from the adequate households. That's 44 percent compared to 29 percent.

We did the study during the summertime when the summer food program was in effect, but the national school lunch program, of course, was not operating. I think this really tells us about the crucial role the national school lunch program plays given that a good portion of these kids were not receiving lunch.

We also found that a lot of the parents were not even aware that the summer food program was in existence. We found that 73 percent of the hungry households did not participate in that program and I think that tells us something about the need for outreach and also, at least in the city of New Haven, a look to see how those sites are distributed.

The most disturbing findings were that hungry children suffered almost twice as many specific health problems such as ear infections, dizziness, colds and unwanted weight loss during a six month period than did the adequate households. Also, health problems as a result of hunger were strongly associated with absenteeism from school.

The reaction to the release of our data was significant. The media picked it up and the mayor created a task force to study the problem. The New Haven newspapers criticized the mayor for just creating a task force. As a result, the mayor negotiated with the board of education, and provided up to $430,000 in city funds so that the board would establish what is now the biggest municipal

school breakfast program in Connecticut. They also allocated city funds, $50,000, to the Connecticut food bank to fight hunger in the city. The mayor met with the governor and sought remedies from him including state money. The Mayor also formed a committee of business leaders to raise money to deal with the hunger problem.

In conclusion, Mr. Chairman, I believe the implications of our findings with regards to national policy are clear. Hunger is a real and a serious problem. If it exists in a sophisticated city such as New Haven, the home of a major university, it exists throughout our country. And the harm it does our children is frightening and long lasting.

If I could commend one practical course of action for the members of this committee, it would be to endorse the Emergency Hunger Relief Act of 1988 that is being introduced by Congressman Leon Panetta and to work to ensure that funding for that bill be made available in the fiscal year 1989 budget.

Mr. Chairman, I know that you in particular have been a staunch advocate for the WIC program during these particularly difficult last several years and have worked to secure additional dollars for the program. The Emergency Hunger Relief Act will help the WIC program as well as provide for key initiatives to fight hunger by expanding or modifying existing child nutrition, food stamp and the emergency food assistance programs.

Mr. Chairman, the passage and funding of the emergency hunger relief act is a real response to a real problem. It is unfortunate that we had to scientifically prove that the problem of hunger exists. It seems that it's very cliche now in government to say that you need to have "plausible deniability" so we had to prove to local politicians that, in fact, there were hungry children. In recent years we have been led to believe that there's nothing that we can do together to address the hunger problem in this country. As you know, it is not true, it's not smart and most of all, it is not right. Our people are better than that and this United States Government can be better than that. And I urge you and your fellow members of Congress to put that into action by supporting the Panetta bill.

Thank you for the opportunity to allow me to testify today.

Chairman MILLER. Thank you.

[Prepared statement of Matthew Melmed follows:]

PREPARED STATEMENT OF MATTHEW E. MELMED, EXECUTIVE DIRECTOR, CONNECTICUT ASSOCIATION FOR HUMAN SERVICES, HARTFORD, CT

Chairman Miller, members of the committee, thank you for the opportunity to testify before you this morning.

My name is Matthew Melmed. I am the Executive Director of the Connecticut Association for Human Services (CAHS).

The Association is a private non-profit research, public education and policy development organization which works with public and private sectors to improve the delivery of current services and develop strategies to address unmet human needs in Connecticut. Our diverse membership includes human services providers, public agencies, religious organizations, labor unions, and over 65 corporations doing business in our state.

I am here to talk about an issue which by its very nature challenges our values, our understanding of the role of government, and our commitment to create a better world for ourselves and our children.

It is an issue you would not associate with an affluent state like Connecticut, the state with the highest per capita income in the United States. The issue is hunger; its existence in our neighborhoods and its impact on our children. The issue is a serious one. The issue is a real one.

For years community groups in our state and around the country have reported the existence of hunger among children. Yet their reports have often been dismissed by policymakers as being anecdotal and subjective. Policymakers wanted hard data. They wanted to know the true prevalence of hunger and its relationship to other factors such as family resources, food purchasing and its real consequence for children. They wanted data the community did not have the capacity or expertise to document.

That is why we developed the Community Childhood Hunger Identification Project or CCHIP, for short. With a grant from the Primerica Foundation we designed and implemented a scientifically valid survey instrument which community groups around the nation could implement.

Our project staff, led by Cheryl Wehler, worked under the direction of an expert Technical Advisory Committee from such institutions as Yale and Harvard. The committee was chaired by Dr. Victor Seidel, Distinguished Professor of Social Medicine at the Montefiore Medical Center and the Albert Einstein College of Medicine.

We chose first to field test and apply the CCHIP methodology in New Haven, Connecticut. We selected New Haven, the home of Yale University, because of its status as the seventh poorest city in the nation and because we were aware of the frustration of various community organizations who sought unsuccessfully for years to place the child hunger problem on the city's agenda.

That frustration was put in its sharpest focus by Mrs. Loretta Rubin and Mrs. Soccoro Escobi, two elementary school teachers in the Fair Haven section of the city. Two years ago they recounted their first hand experience with hunger to me and a group of physicians from the Citizens' Commission on Hunger in New England.

Both teachers noted that they could tell which children in their classes were hungry. A significant number of students showed the telltale signs. Listlessness, inattentiveness and other physical symptoms were mentioned by the teachers as well as direct complaints of hunger.

Mrs. Rubin told us that the staff at her school brought peanut butter, crackers and orange juice to school every Monday to feed children who had little to eat over the weekend. She said that on "in-service days" when the school schedule changes and it is not possible to serve a school lunch, 50% of the children in her class came to school without a lunch brought from home. That number often climbs to 75% at the end of the month when food stamps and AFDC benefits have run out. Both she and Mrs. Escobi reported that on those days, many children are kept home by mothers too embarrassed to send their children to school without lunch.

The teachers made some poignant observations about the effects of hunger on children in their classes. They observed that the younger children who bring a lunch to school on days when school lunch is not served, automatically share their bag lunch with the children who have none. They do so naturally, without even being asked. Yet the older children behave differently. Those with a lunch brought from home are possessive and encircle their food with one arm while eating. Those children who have no lunch often resort to stealing food from those who do. A certain distrust sets in with the older child who has known hunger. The teachers wondered if this wasn't the natural result in chidlren who have learned at an early age that they can't rely on anyone to provide them with enough to eat.

For many of these children, the school lunch program provides the main meal of the day. The teachers smiled when they remarked that often the very first words these children learned to read were those used on the school lunch calendar to describe what would be served that day. According to Mrs. Rubin, "From what the children say, most of them don't have breakfast."

Yet despite reports of the hunger problem, the New Haven Board of Education consistently refused to consider participation of any city school in the National School Breakfast Program. The words of these teachers and others in the community were dismissed as isolated stories--with no foundation in hard fact.

So we set out to see for ourselves. Armed with the technical backup, CCHIP represented a marriage between science and community concerns.

THE METHODOLOGY

To measure hunger and its correlates, a sophistocated survey instrument was designed. Twenty-eight of the 105 questions on the survey directly elicited information on food shortages or hunger problems. A "hunger scale" was then constructed, using the answers to eight key quesitons of those 28.

A score of 5 or more on the scale of 0 to 8 indicated a serious food shortage problem. A score of 4 indicated the family was at risk of a hunger problem.

The questionnaire was professionally reviewed by the project's Technical Advisory Committee, and then pretested by professional interviewers in the Fair Haven section of the city. The questionnaire was revised 10 times before it was used in the actual survey of the city's Hill section.

Employing standard statistical techniques, appropriate sample sizes were drawn from these census tracts. A total of 403 people were interviewed for the study, or 18.6% of the eligible households. The sample size reinforced our confidence level in the accuracy of the results.

We received extremely candid reports of the struggles these families face and the choices they are forced to make. Not one of the respondents beginning the survey failed to complete it, and only two families refused to provide income data.

We attribute the relatively low refusal rate and quality of data to our use of people from the community as interviewers. We successfully trained community residents with no prior research experience.

Besides using community interviewers we also distributed a flyer throughout the neighborhood beforehand, explaining the purposes of the questionnaires and including endorsements from local community groups.

The data was analyzed by project staff, the project's Technical Advisory Committee and Dr. Lindsay Allen, Professor of Nutritional Sciences at the University of Connecticut.

Of those who took part in the survey:

Income

94% lived at or below 200% of the federal poverty level.

75% lived below the poverty level.

14% lived below 50% of the poverty level.

62% of the people surveyed received AFDC (Aid to Families with Dependent Children).

59% of the people surveyed received Food Stamps.

34% of the people surveyed received some type of housing subsidy.

Education and Employment

57% had not completed high school.

27% were high school graduates.

16% had additional formal education.

60% were homemakers.

18% had full-time employment outside the home.

Racial or Ethnic Background

55% were Hispanic

42% were Black (non-Hispanic)

3% were White (non-Hispanic)

Family Composition

66% were single-parent households.

24% had both parents present.

(The remaining 10% included multi-generational families, families where relatives or adults other than parents were caring for children, etc.)

THE FINDINGS

The Extent of Hunger

The most significant, and most disturbing finding of our study was that one-quarter of the families with children in the Hill section of New Haven are either chronically hungry or at risk of being chronically hungry.

The study found that 18% of families with children between the ages of one and 11 have a chronic hunger problem. Another 7% of families are at risk of developing a serious hunger problem.

In addition, the study found that 65.3% of the households have experienced at least one indicator of a hunger problem.

Income, Employment and Household Composition

Including benefits from food and income assistance programs, families found to have hunger problems had an average annual income of about $9,000, or about $2,000 per person. This represents only 76% of the federal poverty level.

Hungry households were poorer than the "adequate" households. (In using the term "adequate," I do not imply that these households do not have a hunger problem. Indeed, the term refers both to households which had no hunger problems, and to families at risk of being chronically hungry according to the hunger scale used in the study.)

Poorer families participated in a greater number of public assistance programs. Yet, the income from public assistance programs was not enough to bring the total income of the hungry group up to the poverty level. This is very significant because the federal poverty levels are based on a formula that is supposed to determine the minimum income a family needs to buy an adequate diet.

Families who usually had enough food had an annual income of about $11,600, or $3,000 per person. This was about 104% of the poverty level.

(Note: In 1986, when this survey was conducted, the federal poverty level was:

$5,360 for a family of one.
$7,240 for a family of two.
$9,120 for a family of three.
$11,000 for a family of four.
$12,880 for a family of five.
$14,760 for a family of six.)

23% of those who were unemployed and looking for a job were hungry, compared to only 3% of those who were employed.

21% of one-parent households had inadequate food supplies, compared to 6% of two-parent households.

Food Purchases and Expenditures

Since hungry families were found to be larger on average than the families who were not hungry (4.6 people vs. 4.1 people per household), one would expect these hungry households to spend more per month on food. But the study found that hungry families spent only about $205 a month on food compared to about $220 a month spent by families with adequate food supplies. (These amounts include the use of Food Stamps.)

Contrary to the stereotype of a person using Food Stamps to buy expensive foods, poorer households were found to buy fewer of the more expensive, prepackaged foods than households with higher incomes.

93% of hungry families reported that Food Stamp benefits did not last all month. (In fact, on average, they reported that these benefits lasted only three weeks.) Yet only about 13% of these households were able to add money to Food Stamps to make up for the shortfall.

Emergency Strategies When Families Run Out of Money to Buy Food

Almost all (97%) of hungry families said they relied on certain "emergency foods" such as canned spaghetti, macaroni and rice when they did not have money to buy food to make a meal. That is three times as many as families with adequate food supplies.

Four times as many hungry families as "adequate" families got food from friends and relatives; five times as many got food from soup kitchens.

The Impact on Children

The most frightening aspect of our findings is the impact on children.

Children from families with insufficient food supplies were much more likely to eat nothing for lunch than children from families with adequate food supplies (44% compared to 29%).

This illustrates the crucial role that the National School Lunch Program plays in the diets of low-income children.

These data were collected during the summer vacation, therefore the School Lunch Program was not in operation. A Summer Food Program was operative in the Hill, but 78% of the adequate and 73% of the hungry households did not participate. When the families who did not participate in the Summer Food Program were asked why they did not, 36% said they did not participate because their school did not sponsor this program. This is a reporting of their perception and may or may not be accurate; in any case, these low percentages for participation may indicate a need for outreach if the program is to be more widely used.

Hungry children suffered from almost twice as many specific health problems, such as ear infections, dizziness, colds and unwanted weight loss, during a six month period as children from "adequate" households.

More health problems in the six month period were strongly associated with more absenteeism from school.

THE REACTION TO CCHIP

The reaction to the release of the CCHIP study was quick and meaningful.

Unlike the previous anecdotal reports of hunger, CCHIP had produced hard data that could not be ignored. The media gave the study extensive coverage. New Haven Mayor Biagio DiLieto formed a 40 member task force to develop strategies to address the problem; negotiated with the school board, and committed up to $430,000 in city funds to establish the biggest municipal breakfast program in the state; allocated $50,000 to the Connecticut Food Bank to fight hunger in the city; met with the Governor to seek state remedies; and formed a committee of business leaders to raise funds for an ongoing anti-hunger effort.

CCHIP GOES NATIONAL

The next phase of the CCHIP Project will involve replicating CCHIP at diverse sites nationwide under the sponsorship of the Food Research and Action Center (FRAC) in Washington, D.C.

FRAC is a nonprofit, public interest group which works to alleviate domestic hunger and poverty, primarily through strengthening federal food assistance programs.

FRAC plans to provide in-depth technical assistance to a number of sites across the country. The sites, still to be selected, will be geographically diverse, urban and rural, low-income, and high risk.

FRAC also plans to distribute the CCHIP questionnaire and field manual to between 12 and 20 additional sites. These sites will be given limited technical assistance.

At the end of two years, reports from different regions of the country will be compiled in a report that will provide a picture of hunger among our poor children. However, I trust we will not have to wait until then for a concerted national effort to confront the problem.

CCHIP'S IMPLICATIONS FOR NATIONAL POLICY

The implication of CCHIP's findings for national policy are clear. Hunger is a real and serious problem in our country. If it exists to such a great extent in a small sophisticated city in Connecticut, it must exist in towns, cities, and rural areas throughout America. When its victims are children, its harm is made even more frightening, and its impact is even more long lasting.

If I could commend one practical course of action the members of this committee can take, it would be to endorse the Emergency Hunger Relief Act of 1988 that is being introduced by Congressman Leon Panetta and work to ensure that funding be made available to implement it in the FY 1989 budget.

I know, Mr. Chairman, that you in particular have been a staunch advocate of the Special Supplemental Food Program for Women, Infants and Children (WIC) and have played a leadership role in its proteciton and expansion. The Panetta bill includes critically necessary funds for WIC as well as a series of key initiatives to fight hunger with expansions and modifications of the existing child nutrition, Food Stamp, and emergency food assistance programs.

Mr. Chairman and members of the committee, passage and funding of the Emergency Hunger Relief Act is a real response to a real problem. It is unfortunate that we had to scientifically prove that the problem exists. In recent years we have been led to believe that there is nothing we can do together to address hunger in America. This is not true. It is not smart and it is not right. Our people are better than that. Our government can be better than that. And I urge you to put that into practice with your support of the Panetta bill.

Thank you for allowing me the opportunity to testify before you today.

Chairman MILLER. Ms. Bush?

STATEMENT OF MADGELEAN BUSH, EXECUTIVE DIRECTOR, MARTIN LUTHER KING JR., COMMUNITY CENTER, HOUSTON, TX

Ms. BUSH. Mr. Chairman, Committee members and friends. My presentation here is in behalf of child care, food nutrition, hunger and housing in our city of Houston, TX.

The right to work, the right to increase one's education, the right to be more comfortable while doing this demands quality day care.

Procedures and qualification to receive day care is so strict that it forces persons to remain on welfare once they've been approved. The waiting list for title XX is 300 plus. After finding a job, it's impossible to accept the job due to day care unavailability. There are many eligible standards that confuses a single parent. The policy for day care is not coherent. Access to day care centers are limited because of location and transportation. Buses run around the area, not to. Day care must see itself as a family support system for adolescent parents. This needs to be combined with a program for parent and child. More support is needed for the school, a parenting program to enhance and motivate these young mothers who have no knowledge or experience on how to be more responsible.

Our mayor puts on a program each year on children and youth and the key identification is latch-key. Due to AT&T and Southwestern Bell, this does not service the area where we are concerned with. We have 300 plus on the waiting list, with 64 available slots, staff trained by Texas Department of Human Services, but yet this is such that parents don't qualify unless protective services has taken the child due to abuse and neglect. Something is wrong to have a waiting list with centers brought and built by federal dollars and an eye closed with existing facilities being one-half filled to their capacity.

We should provide universal day care like we provide universal schooling. For the same reason it's important to the development of children like starting school earlier, not to mention the value of the mother being free to work to support them.

Breaking down the barrier of race and sex discrimination is far less meaningful when a woman cannot find or afford quality day care. To leave a child unattended, it results in child abuse.

The extended family is no longer a part of the low income neighborhood. Food stamp regulations does not support the new poor because the bureaucratic system now requires a birth certificate which causes a delay in the issuing of the food stamp. Procedurally, a poor person does not have the type of support document ready available such as a baptismal certificate, a Bible record, insurance policies and et cetera. At present, a search is required as well as a notary work and the unemployed person is caught in a dilemma that is not of their own making.

Food is served with the stipulation that will never eliminate hunger by disposing of food and only a percentage can be served seconds. With the amount of food that is destroyed, regulaions should be changed to afford the second helping because many of our seniors depends solely on the one meal daily.

The inconvenience of receiving the stamps once approved develop another problem which is to find a place to cash the stamps. These should be combined.

Many persons are unable to fill out complex paperwork without assistance. There should be a mechanism to simplify these problems.

USDA commodities should be developed to train recipients how to use products to give nutritional benefits to all users.

Forty-one percent of the males in my neighborhood are unemployed, unable to qualify for food stamps or the new work force. They're left in limbo, which forces males to become more desperate for survival. Special training programs should be instituted to the level of ages 18 to 45 without the individual being embarrassed because of his lack of knowledge.

Housing is no longer available for the unemployed. Because of the lack of job training, one is forced to stand on corners to save utilities by using fires in barrels, to sleep in vacant houses and to sleep under bridges. Vacant houses should be rehabilitated by the Federal Government for a small fee to provide shelter for the homeless.

In order to promote quality care, development and parenting among the impoverished, professional and lay people will have to drop the "we/they" concept. We will have to purge our minds of the myth and stereotype that we have had for years about those less fortunate.

Each day that we ignore an act of discrimination, we fail to advocate, each day that we accept another injustice, we accept a society that is going to perpetuate poverty. More of us will have to extend our ourself to become our brother's keeper.

Our society needs to take the improvised by the hand, and show them how to make their lives better. Simply handing out AFDC food checks; food stamps and checks is not enough. Texas AFDC grants are low. In conjunction with the grants, the poor should be taught good household management, budgeting skill, shopping skill that will coincide with their varying cultural beliefs.

Parenting classes should be mandatory with more intense therapy offered when indicated on an individual basis. Ongoing efforts should be established to insure that families are incorporating these newly learned skills into their day-to-day living.

April 3, 1968, Martin Luther King, Jr., came into being because of the lack of direct services for the people it was intended for. On paper we had millions of dollars in the city of Houston. We set up our motto which would be if we reach one out of a million, it was a success story. Our motto of the agency is to encourage and develop and promote the welfare and betterment of the total community giving any and all support that is needed for human habitation.

Thank you for inviting me. My name is Madgelean Bush and I have been the Director of this agency for the last 20 years and I don't think anything that happens in one's life is not a part of my daily job.

Chairman MILLER. Thank you.

[Prepared statement of Madgelean Bush follows:]

PREPARED STATEMENT OF MADGELEAN BUSH, EXECUTIVE DIRECTOR, MARTIN LUTHER KING, JR., COMMUNITY CENTER, HOUSTON, TX

Mr. Chairman, Committee Members and Friends:

My presentation here is in behalf of child care, food nutrition, hunger, and housing in our city of Houston, Texas.

The right to work, the right to increase one's education, the right to be comfortable while doing this demands quality day care.

The procedure and qualification to receive day care is so strict that it forces persons to remain on welfare once they have been approved. The waiting list for Title XX is 300 plus. After finding a job, it's impossible to accept the job due to day care unavailability. There are many eligibility standards that confuses a single parent. The policy for day care is not coherent. Assess to day care centers are limited because of location and transportation. Buses run around areas, not to. Day care must see itself as a family support system for adolescent parents. This needs to be combined with a program for parent and child.

More support is needed from the school, a parenting program to enhance and motivate these young mothers who have no knowledge or experience on how to be more responsible.

Our Mayor puts on a program each year on children and youth and the key identification is latch-key children, but due to AT&T and Southwestern Bell, this does not service the area we are concerned with. We have 300 plus on the waiting list, with 64 available slots, with staff trained by THS but yet, this is such that parents don't qualify unless protective

services has taken the child due to abuse or neglect ---

Something is wrong to have a waiting list with centers bought and built with federal funds and are now closed; with existing facilities being ½ full of their capacity.

We shold provide universal day care just like we provide universal schooling. For the same reason it is important to the development of children, like starting school earlier, not to mention the value to the mother being free to work to support them.

Breaking down the barrier of race and sex discrimination is far less meaningful when a woman cannot find or afford quality day care. To leave a child unattended results in child abuse.

The extended family is no longer a part of low income neighborhood.

Food stamp regulation does not support the new poor because the bureaucratic system now requires a birth certificate, which causes a delay in the issuance of food stamps. Procedually, a poor person does not have the type of support documentation readily available, such as baptismal certificate, bible record, insurance policies, etc. At present, a search is required as well as notary work and the unemployed person is caught in a dilemma that's not of their own making. Food is served with a stipulation that will never eliminate hunger by disposing of food and only a percentage can have seconds. With the amount of food that is distroyed, regulation should be changed to afford the second helping because many seniors depend solely on the one meal daily. The inconvenience of receiving the stamps once approved develops another problem to find

another location to cash the stamps. These areas should be combined. Many persons are unable to fill out complex paperwork without assistance. There should be a mechanism to simplify these problems.

USDA commodities should be developed to train recipients how to use products to give nutritional benefits to all users. 41% of black males are unemployed, unable to qualify for food stamps or the new work force, is left in limbo, which forces males to become more desperate for survival. Special training programs should be instituted to the level of ages 18 to 45 without the individual being embarressed because of his lack of knowledge.

Housing is no longer available for the unemployed. Because of the lack of job training, one is forced to stand on corners, to save utilities by using fires in barrels, to sleep in vacant houses, to sleep under bridges. Vacant houses should be rehabilitated by the federal government for a small fee to provide shelter for the homeless.

In order to promote quality care, levelopment and parenting among the impoverished, professionals and lay people will have to drop the "we - they" concept. We will have to purge our minds of the myths and stereotypes that we have had for years about those less fortunate. Each day that we ignore an act of discrimination, we fail to advocate, each day that we accept another injustice, we accept a society that is going to perpetuate poverty. More of us will have to extend ourselves to become our brother's keeper.

Our society needs to take the impoverished by the hand, and show them how to make their lives better. Simply handing out AFDC checks and food

stamps is not enough. In Texas, AFDC grants are low. In conjunction with the grants the poor should be taught good household management, budgeting skills, and shopping skills that will coincide with their varying cultural beliefs. Parenting classes should be mandatory with more intensive therapy offered when indicated on an individual basis. Ongoing efforts should be established to insure that families are incorporating these newly learned skills into their day to day living.

Madgelien Burk
3/25/88

Chairman MILLER. Mr. Sheehan?

STATEMENT OF ROBERT P. SHEEHAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, BOYS AND GIRLS HOME AND FAMILY SERVICES, SIOUX CITY, IA

Mr. SHEEHAN. Thank you very much and I also want to thank the Committee and specifically Mr. Grandy for having me testify this morning.

I appreciate the opportunity to share my views on the state of children and families and particularly how it is effecting us in the midwest and even more specifically, in Sioux City, Iowa.

I think when one thinks of Iowa, one conjures up the values of wholesomeness, that there is a vision of families as important, that the children are still an important factor. And that there's emphasis on traditional values that maybe many other States don't experience. Quite frankly, the struggle I had in preparing this testimony was that relatively speaking, from all the other testimony today, I believe Iowa is in better shape. The fact remains, however, that even Iowa is becoming tainted with the pressures of today. Those pressures revolve around drugs, divorce, single-families, homeless, children on the streets and an increase in poverty, all pressures that are affecting and changing families as particularly Iowa has traditionally known them.

I think the stresses really begin for us based on the economy and particularly in the agricultural community that effects the entire economic picture. I often think that all farmers must be Irish because they keep their feelings to themselves, but the fact is that many of those farmers who are proud, who have lived off the land their whole life for generations, who really were probably the greatest critics of those people who would have to get aid from someone else are now forced in those positions themselves because of the economic times of the agricultural community. That affects the entire state because at the heart of Iowa is agriculture. So that basically as we have a need for those services for those people who have traditionally depended on those services, we have a whole new flux of people needing those services that have traditionally thought that those services were a waste of money sometime.

As it's been said here several times, the greatest pressure and the greatest poverty level is to those children in those single-parent families, particularly woman who are in charge of those families.

There are just not enough jobs available for many of those people. Iowa, I believe, has a very strong work ethic and, as it has been stated here, I have not met someone who is on welfare who doesn't want to work. I have not met that person. And everyone that is in that situation would much rather be working. But the way the welfare system works, basically it costs them more to work than it does not to work. So that the medical benefits and food stamps and all the things that would be available to them are gone.

Iowa is blessed with many resources to work with children. We have quite a few day care centers that will help children. We have several residential treatment centers that deal with emotionally disturbed and delinquent children. And Iowa is also blessed with

an excellent educational system. I believe Iowa has the highest literacy rate in the country and it really is because there is a commitment to education.

With the pressures of dollars over the last few years, (education) that was even wavering and I believe that the state has made another commitment to insure that that does not waiver. However, the whole human need package is being effected at a state level and that basically Human needs have been put off for another year. It appears, now in Iowa the struggle of what should poor people get is still a problem for us.

In conclusion, I would just like to say that I believe that we are becoming more and more comfortable with sharing problems and sharing our fears. I would also like to say that because of that, we at Boys and Girls Home and Family services, because we are a treatment agency, are seeing more and more abuse cases come across and we really are seeing that because those abuse cases are arising because families are under more pressure, constant pressure, either because no one is working or because people—families are forced to split apart because in order to gain AFDC money. And so that many of the pressures that we see and many of the abuse cases that we see really have an underlying current of pressures that are economically based. Coupled with changing families as well as the changing roles of family members, that increases those pressures for those parents as well the children.

Basically we in the State and the community of Sioux City struggle with budget cuts and the need for service. It seems as those dollars decrease, there's a greater need for services. And that we feel a strong need in our community to continue to hold on to those valuable traditions of family as important and children as important.

The heartland of our nation is still strong, I believe. I believe that Iowa is still very strong in those beliefs. And that the values that we hold dear still exist. But without continued support, those values will be jeopardized.

Thank you.

Chairman MILLER. Thank you.

[Prepared statement of Robert Sheehan follows:]

PREPARED STATEMENT OF ROBERT SHEEHAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, BOYS AND GIRLS HOME AND FAMILY SERVICES, SIOUX CITY, IA

I would like to thank the committee for having me testify this morning. I greatly appreciate the opportunity to share my views on the state of children and families as it particularly pertains to the Midwest, and even more particularly to the Sioux City Committee. Sioux City is in the Northwest corner of the State of Iowa and is strategically located in the heartland of this country. When one thinks of the entire United States, Iowa conjures up visions of wholesomeness, visions of families as an important value, visions of children as still important, and an emphasis on traditional values that many other states are not experiencing at this time.

The struggle I had in preparing this testimony, is that relatively speaking, Iowa is in better shape regarding traditions and values than many states at this point in time. The fact remains that even Iowa is becoming tainted with the pressures of our culture, and those pressures are felt because of a variety of factors. Drugs, divorce, single families, homeless familes and children, and an increase in poverty are all pressures that are affecting and changing families as we have traditionally known them.

I think the best place for me to begin is to talk a bit about where families are at in Iowa. The stresses on the economy, particularly from the agricultural community, affects the entire economic picture. As in the rest of the country, Iowa's ecomonic picture is somewhat bleak. This has indeed affected many of its social programs which many Iowans have depended upon for several years. This is aggravated even more by the fact that those members of the Iowa communuty, particularly our farmers, and small town communities in Iowa are using more of those state resources that traditionally they have never used. For example, we see a greater influx in food stamp programs and a greater influx in the use of community mental health centers and social service agencies. Because of many farm forclosures, many large communities within the state have been affected. I do not want to paint a completely bleak picture, but in relation to the rest of the country, it is my belief that there is a strong traditional value and that there is a strong sense of family. My fear at this time, is that these pressures are starting to eat away at the edges of those very values.

Probably the greatest pressure within the state falls on its children and single parents, particularly those women who are single parents. Because of the economic problem within the state, there are not as many jobs available, particularly for those single parent households, and so consequently many of those single parent families are forced more and more into the welfare roles. As a matter of fact, for many of those women it is not an incentive at all to work. The welfare system has been developed, and it is now a greater incentive not to work than it is to work. Iowa still holds a strong work ethic, although I see that this is also eroding over time. However, in comparison to many of the other states, the work ethic in Iowa is still strong, and therefore it is difficult for many of these welfare families to stay on welfare. The "Catch 22" situation is

if they do work, they will literally starve to death and not be eligible for any medical services once off the welfare role. At this time, several children are suffering as a result of these pressures. Many of these children are in institutions, which there are a number of in the state. The differences from other states is that the institutions deal with a relatively small number of children.

Iowa is blessed with many resources who work with children. Iowa is also blessed with an excellent educational system. The problem with all resources however, is that they never seem to be able to fill the void needy people are experiencing. Although I am not certain of the need in other states, I am painfully aware of the mounting abuse cases that we as an agency in Sioux City, Iowa are dealing with. Physical abuse has been on an upswing, but the greateset upswing we have seen within Iowa communities is the area of sexual abuse. Our local Department of Human Services has a founded rate of 50% of the cases they are investigating. That means that about 135 children have been involved in founded abuse cases in the Sioux City Community in the past three months. This is a great change from several years ago. These changes however, are not a reflection of a new problem, but rather they represent a better system of identifying problems and the fact that people are becoming more comfortable with dealing with their problems.

In conclusion, we as a socity have become more and more comfortable with sharing our problems, sharing our fears, and struggling with our traditions and values. This has created and continues to create more and more demands for some type of counseling and therapy interaction. This, coupled with changing families, as well as changing roles for family members, has increased pressures for parents as well as children. While all of these pressures mount, federal and state legislators stuggle to reduce spending. Many of those reductions are made at the social program level.

We in the State of Iowa, and in the community of Sioux City, struggle with budget cuts, the need for service, the need for intervention in families to keep them strong, and the need for intervention to hold on to those traditional values that are the core of our nation's strength. It is our hope that this committee continue to find resources for the citizens of our nation. The Heartland of our nation is still strong, and the values we hold dear, still exist, but without continued support those values could be jeopardized.

Submitted by:

Robert P. Sheehan,
President and Chief Executive Officer
Boys and Girls Home and Family Services
2601 Douglas Street
Sioux City, IA 51104

Chairman MILLER. Mrs. Costen-Boyce?

STATEMENT OF CHENAY COSTEN-BOYCE, ADVISORY BOARD MEMBER, RURAL DAY CARE ASSOCIATION OF NORTHEAST NORTH CAROLINA, INC.; AND MEMBER, BOARD OF DIRECTORS, RURAL ECONOMIC DEVELOPMENT CENTER, INC., SUNBURY, NC

Ms. COSTEN-BOYCE. Thank you. My name is Chenay Costen-Boyce and I'm from Sunbury, North Carolina. That's in the northeastern part of North Carolina. The reason I say northeastern part of North Carolina because it's much different than the middle part of the state where Raleigh, Durham, Winston Salem and Charlotte are located.

I think everything's been said and I'm the last one and I guess I'll be repeating, but I would like to say that I have the experience from working with families and children in poverty through the day care center. And I know that day care programs have proved to help children in the beginning but they're only a Band-Aid because if we don't help the families and just help the children in the beginning, then we're really not helping the children because also facts show that children start to lose those gains around 6th, 7th and 8th grade. And a lot of time is lost because the parent can't assist them with some of the homework that they're doing and they're living in poverty because the parents themselves are not educated. And education is way out of poverty.

In North Carolina we have 1,774,000 children. 303,000 live in poverty, 18.5 percent. In northeastern North Carolina we have 112,000 children, 32,000 live in poverty, 28.8 percent.

From my experience of working with children and families I can clearly see that education is a clear part of the problem. Families who are poorly educated and have unskilled jobs make very low wages. A lot of people who are uneducated and have low skills make no wages because they are locked into this. They have no employment options.

A parent or families in care of children living in poverty must be equipped with the needs and meet the needs of their families. If they don't help their children, they have to help themselves. That's the only way.

In North Carolina only 36 percent of the people eligible for government benefits receive government benefits. So we can't say that the government is not giving enough, because to some people the government is not giving anything. And some of the reasons are because of the educational level. You can go in for a service, but if you can't interpret the policy, you can't read the application and someone looks at you as if you should be able to do it and gives you a pencil and tells you go sit out there, then a lot of times they just keep going and they don't ask for the little bit that they can get because of intimidation.

In northeastern North Carolina families that are living in poverty are working families also because most of the jobs in northeastern North Carolina perpetuate poverty such as textile workers, domestic jobs, farm workers and child care workers.

Child care workers are one of the lowest paid workers there are. Woman working in the day care center taking care of children can

go down to the social service office and get subsidy benefits for themselves. Child care workers subsidize America's economy and yet still they can't have enough money to take care of their own children.

There's a lady living in northeastern North Carolina that was interviewed through the Coalition on Human Needs out of Washington, DC in a rural day care association. She said for over 50 years she's been working for them and now she currently makes $50 a week and a ham every Christmas. And tell me how she can get out of poverty.

Child care workers again, as I said, make some of the lowest wages in the nation but yet and still it's a job of dignity and they enjoy it because they love children and they subsidize parents because they love to work longer hours, wait for parents to come after parents have been shopping or going wherever they want to go. The child is the last person that's picked up.

Farm workers. Farmers in northeastern North Carolina and all over North Carolina and all over America are losing their lands. My father is a farmer and I grew up picking cotton and working and pulling out weeds and I knew that he owned a 160 acres of land and he had a loan with Farmers Home Administration and I knew that if something wasn't going to be done, that my father was going to lose his land. And he bought all of this land for his children. He has three sons that he thought was going to grow up to be farmers and he sent me to college to get a business degree so I could keep the books and my brothers don't want to farm. And he's tired of farming and he raised corn and it doesn't mean one thing if he had 19,000 bushels of corn if he didn't show it on paper. It doesn't matter if you grew the corn. It's got to show on paper and that worries him to death. It's stress. And who does he call, he called me. But we got out of our losing our land through one of the—well, President Reagan, he signed over the Chapter 12 for bankruptcy for farmers. Well, I can appreciate that, but without a lot of—without my education, that wouldn't have helped my father.

Families living in poverty can be changed if there's appropriate education, training and technical assistance. There is a system that is already in place, the public school system. Money is poured into the public school system year in and year out but drop out rates are soaring higher. The system in place can be used to educate the families of the children along with the children and then the families and the children can be partners in education.

To survive in northeastern North Carolina or Washington, DC one must be equipped with the necessary skills to meet their needs. For a comparison, in Dare County, North Carolina—for those of you that do not know about Dare County, it's where the Wright brothers they flew the first plane. Manteo and Ocean Beach. The total population is 13,377. And the total in labor force is 9,530. Unlike North Hampton County where the population is 22,587 and only 7,016 is in the labor force. One of the reasons that these facts show is because of education. In Dare County only 9.8 percent of the adults age 25 and over with less than a 8th grade education, unlike North Hampton County that has a high rate of 32.8 percent of the people without less than an 8th grade education. And in Dare County 64.7 percent of adults age 25 and over have finished

high school unlike North Hampton County where only 36.1 percent of the people finish high school.

This result meaning that in Dare County 71 percent of the people are in the labor force and in North Hampton County only 28 percent of the people are in the labor force. So that showed that education is one of the answers.

There have been some economic initiatives in North Carolina. One being the Rural Day Care Association of Northeastern North Carolina. In 1977 there were four day care centers in northeastern North Carolina. Today we have over 50 day care centers from the support of Rural Day Care Association. Not only do we just provide a place for day care services so that parents can go to work, but we had job creation because we had women with no skills that come into the day care center. With their appropriate training they are now teachers, directors and have moved on to other management positions in other businesses.

We have the Rural Economic Development Center that was created for job creation and technical assistance for economic ventures and just if a person that has a problem in North Carolina, if they have a problem, there's a number they can call and if the answer is not in their office, their office is responsible for calling around until they find the answer for that person.

We have a housing assistance program. And not today have I heard one person say of home ownership. I think people are tired of renting and living in apartments and being warehoused. People want their own yard, their own land and their own trees. A person came into the housing assistance service, he said, "Can you build me a 10 by 10 house?" He said, "All I need is a bedroom and a kitchen." I said, "Well, sir, how much money can you afford to pay?" He said, '$200 a month." Well, we built him a living room, a bathroom, a kitchen and two bedrooms for $200 a month because that's all he could afford. And the land is his when he finishes paying for it and he owns his house. It's brick with cement walk and cement drive just for $200 a month.

So again I say, that education, training and technical assistance is a way out of poverty. There's a lot of resources out there for people, but if you don't know about them, they're not worth anything.

And I thank you.

Chairman MILLER. Thank you.

[Prepared statement of Chenay Costen-Boyce follows:]

PREPARED STATEMENT OF CHENAY COSTEN-BOYCE, RURAL ECONOMIC DEVELOPMENT CENTER, INC., SUNBURY, NC

CHILD POVERTY IN NORTHEASTERN NORTH CAROLINA

Poverty remains the worst enemy of a growing number of children and families in Northeastern North Carolina. Too often, poverty diminishes the hopes of thousands of children for the opportunity to achieve their best potential as free, independent, and competent human beings. Many poor families are not even aware of the symptoms of poverty. Because it is a continuous fight to survive to make ends meet, poverty is a way of life. Getting ahead in life, in many cases, is not imaginable for so many poor families, yet, there has always been a strong hope for their children.

* AMERICA Has over 62,000,000 Children --
  13,000,000 (21%) Live in Poverty

* NORTH CAROLINA Has over 1,774,415 Children --
  303,418 (18.5%) Live in Poverty

* NORTHEASTERN NORTH CAROLINA Has 112,375 Children --
  32,075 (28.8%) Live in Poverty

With millions of children living in poverty, it is certain, that children should not be blamed for their economic conditions. While there are many uncertainties about why so many families live in poverty, facts show that poorly educated families make very poor wages. It is time for Northeastern North Carolina to better educate the families of children, so that they will be equipped with the necessary skills to meet the demanding needs of their own children.

Poverty is linked to illiteracy. As long as the poorly educated families in Northeastern North Carolina continue to have babies, poverty will continue to grow. Poorly educated families have limited skills and are locked into little or no income. Northeastern North Carolina counties make continuous efforts to recruit high-tech industries into our region, so that more jobs can be created to get families out of poverty. Recruitment efforts most often fail for numerous reasons, one of which is the education level of the potential employees. High-tech industries seem not to be interested in areas where over 32.5% of the adult population, age 25 and over have less than a 8th grade education.

> A poor lady interviewed in Northeastern North Carolina said, "Mostly I can't find anything I,m qualified for, or if I find something I'm too far away from it... More schooling, that would help!"

In Northeastern North Carolina, the majority of employment opportunities held by families living in poverty, perpetuate poverty. For instance, Textile Factories provide poor wages, no benefits, and no stability. Eight textile factories have closed since 1980, leaving over 800 poorly paid families with very few economic opportunities.

> Another poor woman living in Northeastern North Carolina said, "I've been in sewing factories for 20 years and they either close down or lay you off, so I decided to get some education"

Domestic Jobs often do not permit participation by women in the social security system, which means absolutely no long term financial security. Domestic Jobs contributes to low self-esteem and a token in compensation.

> A 73 year old poor woman in Northeastern North Carolina said, "I've been working for the Madame over 50 years, I get $50.00 a week and a Ham, every Christmas."

Farm Work requires very limited skills and prohibits many workers from earning a decent income. Weather plays a factor against economic opportunities. Northeastern North Carolina farm crisis has left hundreds of farmworkers without

any form of employment or income. The limited skills possessed by farmers do not allow them many other employment options. Children of displaced farm workers suffer greatly because of two reasons: (1) economic status of their families and (2) poor educational status. Unless workers are re-trained, families and children will continue to live at the poverty level. Farm workers between the ages of 40 to 70 years have worked on the farm all their life and know very little about other trades. People of this generation left school before the tenth grade. The success of the farm today depends on above average reading and math skills.

> A man living in Northeastern North Carolina said, "When I got old enough to work, my Daddy needed my help on the farm, I quit school and went to work with him. We earned enough to keep a roof over our heads and eat. I wish I had of stayed in school. Today, I have so little learning."

Workers of Pre-School Programs have subsidized the programs since their existence, by working for poor wages. In Northeastern North Carolina, the majority of women are forced into day care centers, Head Start center, and other pre-school employment opportunities, because it is the only work available. While these jobs offer some dignity, they keep women dependent. The pre-school programs have created another class of low paid workers. Many women working in these programs are eligible for public subsidies . These jobs support the economy of America but have proved to be dead end jobs, that lock many women into poverty. Most women working in pre-school programs are paid poorly, have little or no benefits, and work extremely long hours. While their responsibility is to care for children, many of their own children live day-to-day in poverty stricken situations. Better training options are needed for pre-school workers so that they can move into other educational job opportunities. Pre-school workers need to earn better wages and need other sufficient benefits that would support their families economic status.

> A young lady living in Northeastern North Carolina said, "I don't make much in the day care center, but I love working with the children. One day I will have children, and I want to learn all I can about children while I work in the day care center. That way, I can better help my child."

Child Poverty in Northeastern North Carolina can be reduced if familes had better educational options to meet their own needs. Children living in poverty will grow up in poverty unless the necessary skills are obtained in a timely fashion. Families of children living in poverty need sufficient skills, in order that needs of their children can be met. Educational opportunities are needed in Northeastern North Carolina, in abundance. To achieve financial security, one needs to be equipped with the necessary skills to function accordingly.

Again, Poverty is linked to illiteracy. For comparison, Northampton County is located in an isolated pocket of Northeastern North Carolina, with low educational achievements, few citizens in the workforce, and many citizens living in poverty, children included. Unlike Dare County, a resort area, with exceedingly high educational achievements, the majority of citizens participating in the workforce, and very few citizens living in poverty.

For comparision:

STATISTICS	DARE COUNTY	NORTHAMPTON COUNTY
Total Population	13,377	22,584
Total in Labor Force	9,530	7,610
Labor Force % of Pop.	71%	34%
Poverty Rate for Pop.	13.1%	28.4%
Child Poverty Rate	12.1%	37.9%
% Adults age 25 & over with less than 8th grade education	9.8%	32.5%
% Adults age 25 & over high school graduates	64.7%	36.1%

In Northeastern North Carolina, several economic initiatives have been created. Some include:

RURAL DAY CARE ASSOCIATION OF NORTHEASTERN NORTH CAROLINA, INC.

*development and implementation of over 50 new day care programs, serving over 2,000 children, to support the employment of parents.

*public subsidy for day care in region have increased from about $200,000 to $2,5000,000 annually. (An increase of 200 to 1,500 children served annually.)

*Head Start services were introduced in 1984, to four previously unserved Counties and to date this program has served 750 children and their families.

*Development and implementation of a program for children and families in migrant farm camps in five Northeastern North Carolina counties, Services include: day care, transportation, nutrition, and health care.

*An important by-product of day care services is the employment opportunities created directly. The expansion of day care has in 10 years created about 400 new jobs which employ mostly women, many of whom have never before had any kind of job. A significant number of these women have risen from relatively unskilled positions, in day care to center managers and leaders in the communities.

RURAL ECONOMIC DEVELOPMENT CENTER, INC.

*provide technical assistance to poor citizens of North Carolina in economic development ventures.

*funded demonstration projects in areas of education, job creation, and infrastructure, in order to create economic opportunities.

*serves as a clearinghouse of information for businesses and citizens in need for economic avenues.

*provides the necessary resources to groups or individuals in order to stimulate economic development ventures.

*Board of Directors composed from different areas of businesses and organizations, to serve as resources for the state citizens. Expertise include: bankers, educator, politicians, community leaders, researchers, and etc.

SUMMARY

The families of children that live in poverty can be assisted by increasing their educational levels. Although this is not the only answer, facts show that focusing on Families As Educators have prevented many children from having to live in poverty as adults. The skills of families must be raised in order that they will be equipped to meet the demanding needs of their children.

Some specific recommendations for citizens of North Carolina are:

1. To hold public hearings on the topic:
   "Families as Educators"

2. Special appropriations for Research and Demonstration Projects:
   on "Families as Educators"

84-794 0 - 88 - 6

Chairman MILLER. Thank you to all members of the panel.

Obviously, Ms. Costen-Boyce and Ms. Bush, you both draw the same connection here in terms of the utilization of child care in helping people stay in the labor market or to get trained. And Ms. Bush, you talk about the number of people whom you have on a waiting list, I think around some 300 or so. Is that also true in North Carolina?

Ms. COSTEN-BOYCE. Yes. We have waiting lists.

Chairman MILLER. You have a waiting list there also.

Mr. Melmed, it's incredible. You were talking about the anecdotal evidence and I was thinking back, I think it was 1969 when we were providing that evidence to the California legislature to try to get them to create a state portion of the school lunch program, a state match if you will. And it seemed to work and it's incredible that you had to go through what you did in 1987 to convince people that there were, in fact, hungry children and hungry families in Hartford. But I really want to thank you for that effort, obviously successful and obviously has garnered some community support, which is something that encourages members of this Committee when they see that.

Mr. Sheehan, one of the interesting things we have done over the last couple of decades, I guess, is that people have been able to document what happens to families in stress and we've watched it now in several recessions and we've watched it in the industrial northeast and we have watched it in other areas of the country. More recently we're watching it in Houston where families are under stress in the oil patch, I guess they call it, between Oklahoma and Texas where families that never in their life thought they were going to be in this situation find themselves in this situation. And we see all of those terribly negative indicators that rush right to the forefront, child abuse, alcoholism, substance abuse, divorce, spousal abuse. All of those indicators immediately shoot up when families are placed under economic stress. And, of course, it certainly has been documented in the Midwest during the farm crisis where once again, and I think it's very important that policy makers understand this, that once again families that never in their wildest dreams thought they were going to be in this situation of losing their farm or their children; that they wouldn't be able to work there or they wouldn't be able to maintain the integrity of their families or their self-esteem. And clearly you're now suffering with all of those same indicators and what you're telling us from Sioux City is what they told us in the other areas.

And apparently we haven't learned anything, we collectively, whether we're local or federal. When you get into these economic problems, there's going to be a huge list of casualties as a result. And the same story results. Your case load is increasing dramatically but it almost is without intention. I mean even with the best intention, local communities find that their resources are simply stripped because of the overwhelming case load. You go from where people have suffered the event, a causation, if you will, the event of a loss of job or something to communities where people—I guess it was Ms. Bush. You were describing, what is it? 47 percent of——

Ms. BUSH. Forty-one percent.

Chairman MILLER. Forty-one percent of the males are unemployed. This event which Sioux City or other areas may think is temporary because something is going to change in the economy, these people have been unemployed for an incredibly long period of time. And that stress is now a permanent part of their life.

Ms. BUSH. But the new poor are having a harder time than the old poor. The ones who sat in judgment on those who couldn't survive five years ago are out there with that bunch now and they don't—they can't conceive of the kind of paperwork that's required in order to start the paperwork to be moved in order to get some assistance.

Chairman MILLER. Yes.

Ms. BUSH. Daily I have 20 to 30 persons who say "I can't go over there to the food stamp place. I just can't let them talk to me like that." You know, the oppressed persons are more oppressed now than ever. Those persons who are coming into the neighborhood are moving back home after being gone 15 or 20 years. They've lost their home, they've lost their car, they've lost their medical insurance. In fact, they're just hanging out there with no resources or anything to go to.

Chairman MILLER. In some ways you're saying that they're more disoriented than the others?

Ms. BUSH. Yes. Yes.

Chairman MILLER. Yes, Mr. Sheehan?

Mr. SHEEHAN. I think, and it was mentioned earlier in a couple of other panels, that I believe that what we have done in the country is we have equated that people who need assistance are not responsible. They're not responsible people otherwise they wouldn't need this service. And what happens then is when the level of service starts to creep into people's lives that they never thought they would need that, that's what attacks them. They feel that they have become somehow irresponsible because they held on to these beliefs or our country holds on to those beliefs. And I think until we as a culture can change our way of thinking on that issue, this will haunt us.

Chairman MILLER. You know, one of the things that we're seeing now in the national polls is really a dramatic shift in the public from where they were four or five years ago in terms of recognizing the plight of the poor, certainly children and the homeless. And one of the analyses of that suggests that over the last eight years this has become a shared experience in America. I remember going to Iowa with Congressman Weiss and discussing with—we stopped at a number of different farms where maybe 40 or 50 farmers would be brought together and trying to show the links between urban and rural and discussing—I think one time Mr. Weiss or somebody mentioned, that people in New York were the largest single group of food consumers in the nation. Getting that dialogue going, I'm sure that I still believe that the people in those barns and in one case a gentleman's garage that were listening to us, I think they really thought that those people in New York were still taking them for a ride. But now I think that they have watched their families and their neighbors share some of this experience where you may never have wanted to do it, but you had to say, "Hey, I need some help." I think it's changed our thoughts a little

bit, a little empathy is creeping into this society. At least we're certainly seeing it in people's attitudes over the last year or so in that discussion. And, obviously, I think that's healthy, you know, that this country doesn't believe that all this problem begins and ends at the New York City limits. That this has spilled over into all of our communities. The homeless are as present in my suburban communities as they are in the urban centers. The numbers are different, but they are present and it's changed.

Mr. Melmed, let me ask you, this business of running out of food, you say that 93 percent of the recipients testified that they were out of, I guess food stamps would be the resource, out of resources before the end of the month?

Mr. MELMED. That is correct, their food stamps did not last the entire month. You'll hear the response to that from U.S.D.A that food stamps aren't supposed to last the entire month. They're supposed to be a supplement in terms of the family's income. But then we found that only 13 percent of the hungry households had the resources to add to their food stamps to purchase food.

To add to that Mr. Chairman in reference to a remark you made earlier, this is taking place in a city that supposedly has made an amazing economic renaissance and in a state that has the highest per capita income in the nation. People talk about Connecticut as a very affluent state, yet we have welfare motels in New Haven that are similar to the welfare hotels in New York City. It just does not get the kind of attention that we would hope it would get.

Chairman MILLER. Thank you.

Mr. Grandy.

Mr. GRANDY. Thank you, Mr. Chairman.

And I apologize from running back and forth from these two hearings, but they are obviously very much on the same subject to the point where I'm not exactly sure which witness I listened to where.

But there was a comment that was made either in this room in another room not too far from here about some data in some state suggesting that although the quantity of poor in this area was not expanding, the quality, if you can call it that, was in that the people who are at the poverty level were being ground down further which leads me to you, Mr. Sheehan. In your experience as the President of Boys and Girls Home and care provider in Sioux City, are you seeing that true in our area? Are you seeing an expansion of people into poverty or are you seeing a degradation of those in poverty?

Mr. SHEEHAN. It's a good question. I think, and I'm going to cop out by saying I think I'm seeing both. I think I'm seeing people who have never experienced poverty before—my staff that I hire to care for emotionally disturbed and delinquent children that work 24 hour shifts, I pay them $11,000 a year to do it. And if they have a family, they're living in poverty.

Basically I think that there are more people that are there. And so that's a new experience for them. They're surviving. But I also think that those people who are really poor are just getting lost. They're just getting snuffed out. That really is becoming—there is just total despair. And we see those people coming in for counseling and they're paying a quarter for a session and they don't need

counseling. They need money. I mean it really becomes the issue and all I can give them is counseling. I can just give them that support and they're paying a quarter an hour to do that. And sometimes I give them the quarter back.

The point is that I really think that it is happening and we do see that. Probably not to the extent that other communities do, but we are seeing that happen.

Mr. GRANDY. Well, I bring this up because there is, obviously, some pretty good evidence now that the farm economy is turning around in Iowa and if you read the *Des Moines Register* you'll see that per capita income in Iowa grew faster than any state in the Union for a couple of quarters last year, and that's all good and great and a lot of it is Uncle Sam's money, and that's, I suppose, good for the time being. But, of course, what we are beginning to be aware of is the disparity between what a farm dollar is versus a dollar up and down Main Street, even if that Main Street is in Sioux City. And when a business goes out, it doesn't come back as fast as a farmer who might have a subsidy payment to tie him over. Those dollars are not turning over as much because we're taking more land out of production. And the cycle we're creating, I think, is to kind of, in a sense, isolate the farmer from the community, which is aggregated by the fact of diminished health care, by the fact of the individual personal pride that you've uncovered, as I have, in many of these folks that will not ask for food stamps, or that will not go for health care because they can't afford it.

I want to get back into your purview and talk a little bit about one particular instance that you talk about, and that is the increased instance of child abuse. Now, we've heard some testimony here about abuse being related to an unattended child and then, of course, the attendant problems with that, divorce and homelessness, drugs. What are the sources of that abuse that you can tell, that you perceive in a community which, when you consider the greater Sioux land area, is a 120,000. Not very big. What are you seeing there that perhaps relates to Mr. Melmed's experience?

Mr. SHEEHAN. Well, I think it starts with first two adults who are married who have an idea that this is how a family is supposed to be. And we still sort of think that it's supposed to be like the Cleavers. So, I mean, we start with that premise.

Mr. GRANDY. The Cleavers, of course, received a tremendous subsidy.

Mr. SHEEHAN. What happens then is that things stand the traditional way where the man would go out and work and the woman stay home. That's lost right away because there aren't too many people who can do that. So you start with at least both people working, which is not—I think people are getting used to that.

But then what happens is that someone loses their job or—and if it's particularly the male who tends to be the abuser most often, that male loses their job. They start staying home, they start to feel lousy about themselves because they can't work. So they start to drink to cover up the feeling they're lousy because they can't work. And then they don't get anything done in the house. The wife may come home at that point in time. The kids may come home after school. They have needs. They're also worried about their father. And so they start to act out in some way and it's

easier for the father for him to just abuse that child because he's so consumed with himself, so consumed with his own problems and so beaten down himself that he's certainly not able to meet the needs of his family at that point in time. Their emotional needs, not the physical needs. Even their emotional needs. And so consequently, he abuses them and then feels lousy about that, drinks some more and abuses them again.

I mean it's a vicious cycle that seems to happen in many of these families. So that's—that's how the pressure on the family will often times force this whole abuse cycle to happen.

Mr. GRANDY. Okay. That's obviously a strong generality and an accurate one. Let's talk a little bit about some of the specifics of this particular lifestyle. Hunger: what are you seeing in Sioux City? Is it on the upswing? I have visited some of the Sioux City community schools, I've seen some of their breakfast programs, some of their lunch programs. I might mention parenthetically to you, Ms. Bush, that I have seen in place in Sioux City the emergency food nutrition education program, administered from the Department of Agriculture, to advise people how to use their surplus commodities for the best nutritional value. That may not be in your area or perhaps it's not operating well.

Ms. BUSH. You have to have transportation to get to any program. That is a stop gap with most of the people.

We have pantries set up. We have the cheese and butter given out. But we don't have anyone to meet those persons who are locked into a neighborhood where the program is on the other side of town.

Mr. GRANDY. But when you go to pick up a check from the government, a benefit of some sort, there is no coordination of education in other words?

Ms. BUSH. No. My checks are mailed in from Austin for the USDA programs I work with. We go—my cook goes into training every 3 months in order to teach how to feed those children within the program. But it still doesn't give the bulk of the neighborhood any type of training on how to use it. And most people just don't know how to cook cheese and butter.

Mr. GRANDY. So in other words——

Mr. MELMED. Mr. Grandy, in our study we found, and it's hard data, that the low income households are much better shoppers and they're much better at preparing their food than upper and middle income people. They don't buy a lot of the junk that upper middle income people buy.

Another point, when you look at how the food stamp benefit levels are designed, USDA assumes in it's Thrifty Food Plan that a low income family can buy 18 sides of beef, put it in a big freezer and benefit from huge economies of scale that have no basis for reality for a poor family.

And then, of course, to assume that education is the answer, I think, is wrong. And to assume that the cheese program is the answer is wrong.

Mr. GRANDY. Well, I don't think anybody is implying that the surplus program is the answer to our problems.

Mr. MELMED. And I wasn't implying that you were implying that.

Mr. GRANDY. The important point, I think, to be made here is the necessity of coordination among bureaucracies and governmental departments.

I have noticed this even when I've toured around Sioux City is that because the community is a little smaller, the EFNEP program is getting out to people because they can send people out to train. But, unfortunately, in a larger community, that's information that may be lost in the pipeline somewhere I would assume.

Mr. MELMED. But there's also a cost to that, too, and I think we've got to be very careful. My organization works very carefully trying to encourage the state to coordinate better because God knows there's a lot of waste at the State and local level. But we also have to recognize that if you want to put systems in place to handle that coordination, those systems are going to cost money and those are the first things to go in times of tight budgets because people don't understand the need for them.

Mr. GRANDY. I want to ask one more thing specifically and I'll start with you, Mr. Sheehan.

Again, getting back to day care, you alluded to the fact that we have a fairly good day care system, but the demand is increasing, is it not? We're seeing the same thing in smaller communities—half the size of Sioux City.

Mr. SHEEHAN. The demand is on the increase and what's happened is that low cost day care for those families is not on the increase. There is a tremendous demand for low cost day care.

There is adequate day care around if you can afford it. But for those single mothers who are on minimum wage, they'll pay more for day care than they'll get.

Mr. GRANDY. Is it predominately a problem for children ages one through five, the preschoolers, or is it more of a latch-key problem?

Mr. SHEEHAN. Well, I believe the Sioux City schools have begun the process of developing some kind of programs for their own schools——

Mr. GRANDY. You have the girls clubs in some of the——

Mr. SHEEHAN. Right. So it is mostly the preschool kids that we're talking about at this point.

Mr. GRANDY. Could you just in closing give us a little idea of what you do in Sioux City? It might be helpful for this committee to talk a little bit about what the Boys and Girls Home used to be and what it's become now that it's in the family service.

Mr. SHEEHAN. All right. Well, we've been in the community for 96 years. We started as an orphanage back in 1894 and through the years our mission has changed so that today we are an agency which provides residential treatment services for adolescent children ages 13 to 17, for 41 children. And we also provide outpatient treatment for the community.

Basically our mission is to keep families together and even those families where children are removed from their home, who go into residential treatment our goal is always to get that kid back into that family so that we are always trying to work on the strength to keep families together in all the counseling that we do.

Mr. GRANDY. And do you have a waiting list?

Mr. SHEEHAN. Yes, we do.

Mr. GRANDY. Do you happen to know how long that one is?

Mr. SHEEHAN. It's four months now.

Mr. GRANDY. I see. So I guess the point is made, Mr. Chairman, you don't have to live in Houston or New Haven to have the same kind of problems.

Chairman. MILLER. You're right.

Mr. GRANDY. I yield back the balance of my time.

Chairman. MILLER. Well, thank you very much for your help and for the submission of your evidence to the Committee. I think it's going to be very, very helpful to us in the upcoming budget debates and ensuing debates in the Congress. And I appreciate it very much.

Thank you.

[Whereupon, at 1:13 p.m. the committee was adjourned.]

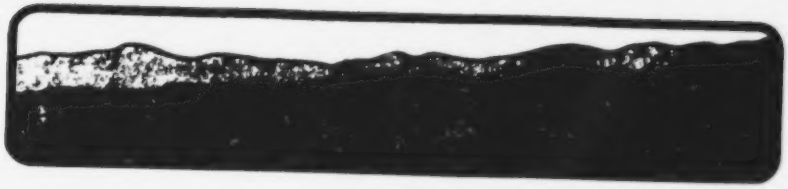
Opening Statement of Hon. George C. Wortley, a Representative in Congress From the State of New York

Mr. Chairman, I commend you for holding this hearing on Children in Poverty. Children in poverty often become homeless children, mentally ill children, uneducated and unemployed children. It is not uncommon to learn that these children come from background of parents and grandparents in poverty and the vicious cycle carries on for several generations.

Yes, we do have several programs to address the needs of these children, but they need more than money to break the cycle. They need role models, and associations with people who can help them to have a better self esteem, and help them to set reasonable goals for themselves. If the typical family structure is not in place, there are many teachers and programs like Foster Grandparents and Big Brothers to "adopt" these children at a young age.

Latch-key kids, those who return home from school to an empty house for several hours each day also need attention. Their parents and/or guardians are out in the workplace making enough money for food and basic necessities and cannot afford to pay for child care. These children need our help too.

Mr. Chairman, we have a lot to learn today. The questions remain difficult - the answers are not simple. However, this committee was designed to study these very problems, and I look forward to hearing from the expert witnesses here today.



9 March 1988

The Honorable George Miller
Chairman
Select Committee on Children, Youth and
Families
Room H-2
House Annex 2, Washington, D.C. 20515

Dear Congressman Miller:

The Appalachian Center of the University of Kentucky conducts research and sponsors service projects throughout the Appalachian region and especially in eastern Kentucky. One of our most important activities is to produce statistical reports which examine various socio-economic issues of concern in mountain communities.

During the past three years, we have produced five such reports and much of the material in them is germane to the issues which your committee is currently exploring. I believe the committee already has copies of those reports but, to make the material more easily accesible to committee members, I have attached a list of those findings which we feel are most salient to your hearings.

In addition to producing statistical reports, a great portion of the work we do here is service related. That is, we attempt to link the resources of the University with the needs of people in the Appalachian region. This means that we spend a lot time with students, teachers, community leaders, and health care providers. From them we hear that side of poverty that statistics cannot tell.

For example, I have been with teachers who wept because they had students who were eager to learn but who could not afford the most basic tools of education such as books and paper. These teachers work in school systems that are so poor that they do not have libraries. When these same students live in counties where there is little or no hope for employment after graduation, is it any wonder that 50% of them drop out of high school.

While doing research for a report on health care, several physicians in the region reported extremely high rates of depression in children. One said it was the single biggest problem she saw in school-aged children. She and other health care workers believe that this depression is a result of poverty, both directly and through the family disfunction that often accompanies poverty and unemployment.

University of Kentucky / 841 South Limestone / Lexington, Kentucky 40508-0333 / (606) 257-4862

—An Equal Opportunity University—

Since we have become aware of the extent of this problem, we have begun working with the Child and Adolescent Service System Program, a federally-funded program which has done a great deal of work in the eastern portion of Kentucky. Their studies also indicate a link between poverty and the development of emotional problems. Still another problem which shows up in CASSP's research as well as ours is the extreme shortage of community-based mental health care workers in our region. (Our statistics show one mental health care worker for approximately 14,000 people in eastern Kentucky compared with one for approximately 3,000 in the balance of the state.) This, combined with the stigma that still attaches to mental health care in the mountains, leads to situations in which children often go untreated in the early stages of emotional problems, their conditions worsen, and they have to be placed in institutional settings far away from their homes and families. We feel CASSP is beginning to address some of this need and could serve as a model for other programs. I am enclosing a brief summary of some of their programs.

Finally teenage pregnancy rates in eastern Kentucky are one and one-half to two times the national average. They are almost identical, in fact, to rates for inner city black teenagers. These two groups are highly disparate both environmentally and culturally. We believe this strongly suggests that the root causes of this problem, which affects both the newborn children and the children who are having them, are economic rather than racial or cultural.

We are so pleased that your committee is addressing this tragic problem. If we can be of any further assistance, please don't hesitate to call on us.

Sincerely,

Jane W. Bagby
Assistant Director

"Recent Mental Health Initiatives for Kentucky's Appalachian Children and Families"

In the summer of 1985 Kentucky's Department for Mental Health and Mental Retardation Services (DMHMRS) received a federal grant from the National Institute of Mental Health (NIMH) entitled the Child and Adolescent Service System Program (CASSP). As part of its overall change to assist the state in improving services for children with emotional problems, Kentucky's CASSP has focused much of its energies and resources on black and Appalachian children and families. A recent statewide needs assessment conducted by CASSP and DMHMRS personnel supported the notion that specific environmental factors in the Appalachian region (including a severe shortage of community based mental health services) place children and youth at high risk of developing emotional problems. In response to these identified needs Kentucky's CASSP and DMHMRS have initiated several services and activities designed to support Appalachian children and families. Also Kentucky's CASSP is collaborating with representatives from the University of Kentucky's Appalachian Center, CASSP personnel from other Appalachian states and representatives from NIMH in an effort to establish an ongoing multi-state focus on the mental health needs of Appalachian children and families. The following is a brief summary of some of these recent Appalachian initiatives:

- The DMHMRS is in the second year of funding eight new children's mental health projects through Eastern Kentucky Community Mental Health Centers (CMHC). All of these projects include a high level of interagency collaboration between the CMHC and other children's agencies such as the schools, Department of Social Services and juvenile courts. One of these state-funded projects uses the "Homebuilders" model to provide intensive in-home services to families who have a children at risk of being placed in a psychiatric institution.

- CASSP and the DMHMRS collaborated with representatives from an Eastern Kentucky CMHC to receive $75,000 of federal monies from NIMH to fund a second home-based services project for children at risk of out-of-home placement.

- Staff of one recently-funded Appalachian children's project received a $120,000 federal grant to provide respite and crisis nurseries services for Eastern Kentucky children and families who because of abuse, neglect or other factors are identified as high risk for developing emotional problems.

- Kentucky's CASSP allocated funds to seven Eastern Kentucky CMHCs to develop support services for parents of children with emotional problems.

- In collaboration with the University of Kentucky's Appalachian Center and other child-serving agencies, Kentucky's CASSP and DMHMRS sponsored a two day conference on the mental health needs of Appalachian children and families (brochure enclosed).

- Kentucky's CASSP is providing financial support and technical assistance for an upcoming conference on "Health Services In Appalachia" sponsored by the University of Kentucky's Appalachian Center.

For more information on these and other Appalachian mental health initiatives please contact Bill Scott at 502-564-7610.

From: "Dropout and Functional Illiteracy Rates in Central Appalachia." The Appalachian Center, March 1985

1. There is a direct correlation between poverty and dropout rates. That is, the poorest counties have the highest dropout rates.

2. Areas with high poverty rates fail to exhibit the tradtional link between education and social advancement.

3. The dropout problem in central Appalachia is both the cause and effect of poverty, unemployment, and delinquency.

From: "The Status of Health Care in Appalachian Kentucky." The Appalachian Center, July, 1986

1. Rising economic problems in the region may be contributing to poor health care.

2. Federal cutbacks in health programs during the past several years also seem to play a role in decreased health status among Appalachian Kentuckians.

3. Infant mortality rates in the area continue to be higher than the national average and actually rose in 1983 and 84.

4. A large number of women living in poverty fail to seek pre-natal care.

From: "Poverty in Appalachia" The Appalachian Center, March 1987

1. Children living in poverty remain dependent on their families and benefit only indirectly from public programs.

2. 28.6% of Central Appalachian children were poor, compared to 16% nationally. (These figures are from 1980 data, we believe current figures are significantly higher.)

MAR 1 8 1988

March 11, 1988

Dear Congressman Miller,

Please except my Testimony on behalf of the "Children & Families in Poverty" hearing that was held in Washington D.C. February 25, 1988. Due to circumstances my baby was very ill at that time. When I returned home there was a crisies which made me to forget to send this. I was present at the Hearing & the Conference "who Speaks for the Children". Thank you for the opportunity to express my views & opinions.

Sincerely Yours,

Terry Lynn Lee

Prepared Statement of Terry Lynn Free, Head Start/ECEAP, Bellingham, WA

In this day of world-wide crises, many issues are being addressed: War and Peace, Economic turmoil, Deficits, Tax Reform, Defense spending, International Affairs, Peace Affairs, the Iran-Contra affair, AIDS, HUNGER, Water shortages, Unemployment, Plane crashes, HOSTAGES, Foreign Policy, Domestic issues, Families in transition, Social Services, the system ...

But, one issue which so many times gets overlooked is the children.

In the foundation of our country, the men who wrote the constitution of the United States, recognized the importance of the children. Part of the Preamble refers specifically to the children: "We the People of the United States, in order to... secure the blessings of liberty to ourselves and OUR POSTERITY do ordain and establish this Constitution of the United States of America." The children ARE our "posterity". They are part of the reason for the formation of our nation. But, somehow, they have been lost in the shuffle, the family, the separation, the divorce, the bureaucracy, the system, the society.

NOW we need to get back to the blessings of liberty-- and to our children. And, especially to the needs of our children who are living without their basic needs being met, or, with their needs being met inadequately.

Many of these children are living in homes with overworked, overstressed, underpaid parents-- those who are lucky enough to still have two parents living with them. Those who live with only ONE overstressed parent, have even a rougher time-- and fewer alternatives for support when they need it. These are parent (s), who are unable to stay home and care for a child who gets sick because they need the money and he or she MUST work and who are unable to pay for a childcare facility that takes sick children because they make barely enough to meet their basic needs each month--if that.

These are parents who are barely able to cover their expenses and certainly cannot afford to pay for 'extras' for their children. And sometimes, unfortunately, there are parents who do not place childrens needs as a high priority-- such as, those who abuse the system and utilize their welfare check, for example, to go out and have a good time instead of buying their children clothes or shoes.

And it is the children who get lost in the shuffle, in the paperwork, in the bureaucracy... The children, who are unable to even ASSESS their own needs, much less to express themseleves.

These are children who are dropped from the WIC program at an early age, the children who never benefit from the child support, the children who never receive the child support, the children who are not properly nourished because the parent (s) are not well enough educated to supply nutritious meals.

And the system perpetuates these injustices-- with tax dollars. With the money that could be better spent in local areas actually doing some good, rather than buying paper and jobs for bureaucrats who must 'follow the rules'-- doing what amounts to literally tons of paperwork. And, often, the welfare of the children is not even considered.

When was the last time you heard a social worker on a welfare case, ask about the welfare of the children, or the judge in the case of custodial parents trying to collect child support that is past due? Probably never. What these people are doing is their jobs-- with everyone's money! And their jobs are to see that the system is followed and that the process is adhered to correctly. Their job is NOT to be sympathetic toward the children, although MOST are in these kinds of jobs because this is why they entered this field. But, they too, are products of the system. And the snowball grows... More paperwork, more meetings, more policies, more bureaucracy. And less help for the actual problems.

And, still, we have the children, the children who are not getting their needs met, the children who do not even

understand that they are not getting what they need, and who are unable to say so if they do, the children who would be ignored if they choose to speak up because, after all, "they are only children."

Only children. Only children who will not reach their full potentials because they cannot even get past the first level in the triangle of hierarchical needs. Only children who may not be able to think clearly because they do not have the proper nutrition. Only children who live with such suffering that they will never outgrow it.

These are only children who could be helped with a little more planning and organization, and a little less paperwork and bureaucracy. Children who could benefit from a society which places a high priority on each person getting what they need to meet basic needs and learning to help themselves. Children who might not get lost in the shuffle if they were PEOPLE instead of social security numbers. Children who might be people instead of numbers if these programs were reorganized so that the vast majority of the money was kept at the local levels rather than paying for the huge amounts of paperwork and staff necessary to continue this hierarchical bureaucracy. Children who would begin to feel and act like more responsible people if they heard the politicians discussing childrens issues along with foreign policy. Children whose self-esteem would be raised immensely if they knew that THEY were a priority in the society, rather than another victim of oppression, such as women and racial minorities have been.

Finally, the society must recognize and address these issues openly. Bringing childrens issues out into the political realm is a beginning. But as we have seen many times over, much political rhetoric is not sincere. What is needed now is also ACTION!! Action directed toward restructuring our society with priorities focused on the future, restructuring our society with emphasis on those who need the protection and support the most-- the CHILDREN.

Decentralization of the bureaucracy in order to help accomplish these goals could only benefit the children. Local

areas would control their own programs in order to best meet the needs of their areas-- after all, who knows best what each community needs besides those in the community?!? And community action is needed to get the ball rolling-- action like this hearing which will help to bring the issues out in the open so that they can be discussed and, eventually, solved.

Humbly Submitted,

Terry Lynn Free

Terry Lynn Free

Mother of 4 children:

James - 10

Susannah - 8

Cristin - 5

Amanda - 1

PREPARED STATEMENT OF MICHELE LAHTI, NATIONAL ASSOCIATION OF SOCIAL WORKERS, MASSACHUSETTS CHAPTER, BOSTON, MA

Hearings on Poverty

My name is Michele Lahti and I'm from the National Association of Social Workers, Massachusetts Chapter. NASW is a professional organization with almost 7,000 members throughout the state. We would like to take this opportunity to "speak for the children." Social Workers see children in many different kinds of settings including hospitals, schools, Mental Health Centers and Community groups. We know first hand the hardships faced by too many children and their families in the Commonwealth.

An estimated 228,000 Massachusetts children live in families with incomes below the poverty line. They represent 16.7% or one in six of all children in the state. Among black children in Massachusetts an estimated 36.8% or one in three, live in poverty, and 69.9%, or two in three, of all Hispanic children are poor.

Why are so many of the children in Massachusetts living in poverty? Children are poor because their parents cannot find work. Children are poor because evn if their parents work, they still have inadequate incomes. They are poor because of changing

family demographics. Nationwide, more than 50% of all children living in female-headed families are poor. Children are poor because of low welfare benefits. The monthly combined welfare and Food Stamps benefit in Massachusetts is only 75.5% of the federal poverty level.

What can we do? Ironically, although we like to think of ourselves as a nation that loves its children they have clearly gotten the short end of the social policy stick. We are the only industrialized western nation not to have a national children's and family policy. We need to have such a policy which would include both a national children's allowance for families and a bill of rights for children. Such a bill of rights would include: the right to food, housing, quality day care, needed services, healthcare, education, a good parenting experience, and legal status, protection and redress.

We also need to continue our work for higher welfare benefits, full funding for the WIC program to insure every eligible woman, infant and child can participate, adequate health care for all, increased low income housing, a substantial raise in the minimum wage, and a real jobs program for this country.

NASW believes that initiatives must happen at the national, state, local and personal level. As professionals we must continue to advocate for legislation and services. We must mobilize our colleagues and our agencies. We must be active in the political arena. We must forge new and stronger coalitions. We invite you to join us in this battle that we must win.

Prepared Statement of Geraldine Jensen, National President of ACES, The Association for Children for Enforcement of Support, Inc., Toledo, OH

February 22, 1988

Good Morning, I am Geraldine Jensen, National President of ACES, The Association for Children for Enforcement of Support. ACES is the largest child support advocacy organization in the United States. Membership consists of over 15,000 families owed child support. ACES has chapters in 35 states. We meet monthly with county, state, and federal public officials responsible for the IV-D program. ACES members participated on State Child Support Commissions and State Child Support Guideline Committees to assist with the implementation of the 1984 Child Support Amendments. ACES receives thousands of phone calls each month. Behind every phone call is a family. Generally from a family headed by a single women. She can not buy food for her children. She can not pay the rent or mortgage. She can not take the children to the doctor when they are sick because she has no money. Someone owes these children money. The 1984 Child Support Amendments were an attempt to assist these families. IV-D Agencies around the nation are doing more to enforce child support orders than in the past, but they are not coming anywhere near what the law requires.

The most recent statistics from the Federal Office of Child Support show that the average collection rate for families receiving Aid to Families with Dependent Children is only 10% and for non-welfare families, the collection rate is 20% on IV-D cases. Although, States are reporting increased dollars collected these statistics do not really reflect effective enforcement activities. States were not required to report collections for families not receiving AFDC until 1985, thus; an increase in 1986 of dollars reported is only the non-AFDC dollars they were already collecting. Approximately, one-half of the families subsisting on AFDC are in need of establishment of court orders for child support. ACES members in need of establishing paternity report inaction on their cases by the IV-D agencies. Many State IV-D Agencies list establishment of paternity as a low priority. I was recently told by a IV-D attorney in San Antonio, Texas that few paternities were done because the criteria to decide if a case is to be processed involves the attorney's assessment of the client during an interview. If the attorney thinks that the woman is too timid to stand up under cross examination at a jury trial, the case is not processed. This criteria is totally subjective and unreasonable in view of the genetic blood tests available and the requirements of federal law for expedited process to establish of paternity. In spite of the low number of cases where paternity was to established, Texas passed the last federal audit. The average length of time to establish paternity in a large metropolitan area in the United States through a IV-D agency is two years. ACES suggests that federal laws be enacted which require State IV-D Child Support Agencies to initiate action with-in 30 days. This is the same standard currently used for AFDC. Further, each year states should be required to establish paternity for at least 70% of the AFDC cases in which children are born to never married parents. States should be required to use expedited process to establish paternity or be penalized by cuts in federal re-imbursement funds.

Currently, 32 states and jurisdictions have been notified of cuts in federal funding due to non-compliance with federal laws and rules. This is the first time that states have actually been notified of possible penalties even though many states have been found in non-compliance in the past. In a recent conversation I had with the State IV-D Director of Ohio, whose agency has been found in non-compliance, I was told that no corrective action was planned by the deadline. She said they would be able to get an extension from the federal government and that they would "get around to following the law" eventually! ACES hopes that threats of penalties for states like Ohio where the State supervises county-run operation will become a reality.

Currently, federal penalties which cut AFDC funds to the State hurt mothers and children, not the local IV-D agency. The county Child Support Agencies will continue to receive 68% federal re-imbursement and 6% incentives even if in non-compliance with federal laws. Ohio has responded to this problem by enacting state legislation which allows sanctions against non-compliant counties. Federal laws should require that all state supervised county-run IV-D programs have provisions to sanction non-compliant counties. Federal penalties should be against federal re-imbursement and incentives rather than against AFDC funds. AFDC funds are what mothers and children not receiving child support rely on to subsist.

Another problem with the federal funding process is that it allows state or county IV-D agencies to maneuver funds so that there is little or no state or county financial participation. For example: A county or state can get 68% re-imbursement and 6% incentives and make a "profit" on child support enforcement. In the county in which I live the budget for child support in 1985 was $700,000 they received $490,000 re-imbursement and $270,000 incentives to total $760,000. The $60,000 over costs was then placed in the county general fund and not spent on child support enforcement. No actual state or county dollars were used even though the caseload per child support worker was over 3000! Federal laws should mandate staffing levels and prohibit IV-D funds from being spent on anything besides child support enforcement.

The 1984 Amendments allow non-payors who are $1,000 behind in payments to be reported to consumer credit agencies. This has not become a reality for families in the United States owed support because the states were allowed to enact laws that require consumer credit agencies to contact the State IV-D Agency. Reporting does not occur routinely in any states except Alaska and Nebraska where state law requires the IV-D Agency to do so. ACES recommends that federal law require IV-D agencies to report non-payor $1,000 behind in payments to credit agencies after due process rights which currently exist in the law are provided.

The 1984 Amendments revised the federal offset program to include attachment of federal tax refunds for non-AFDC families and to establish state offset programs. The program has been very successful and over 1 Billion dollars of back child support was collected. ACES members are experiencing some problems with the offset program because of the current priority system. Federal income tax refunds are first attached for back taxes, second for past due student loans, third for child support arrearage owed to AFDC, and fourth families owed support. ACES is requesting that the priority system be changed to make families first and assist them to remain free of the welfare roles. The priority system for collection of back support for families who are no longer AFDC recipients also needs to be revised. Currently, a family who has been off of welfare for five years may be owed $10,000 in back support and on the same case $2,000 may be owed to AFDC. The family need arrearages to buy food, clothing, and pay rent. Many payors are making small payments. Even these small payments may mean the difference between self sufficiency and welfare dependency. A system should be developed, whereby; the family no longer on AFDC receives arrearages paid first. Families currently receiving AFDC are entitled to the first $50 collected per month on child support. This program provides families an incentive to cooperate with IV-D agencies to establish and enforce orders. However, when these families receive the $50 they suffer from a $15 cut in food stamps and increase rent in low income housing. Some families report an actual loss of money each month due to the current "$50 disregard" program. ACES recommends increasing the amount of the disregard or at the very least not counting it as income used for all types of government benefits.

ACES members throughout the United States report problems with obtaining entitled IV-D services for enforcement of child support orders. This includes: income withholding, location of absent parents, needed court action for orders to post bonds, place liens, attach unemployment, etc... Frequently it will take 4-6 weeks to get an appointment with the IV-D agency and then 6-8 months before action is taken on a case.

ACES recommends that IV-D agencies be required to take action with-in 30 days of application and the states be required to have a formal compliant process to assist families encountering problems with local agencies. Families are told, "it's not our fault, its the judge's fault". The judge says, "it is the state's fault", and the state tells families, its the federal government's fault". A clear structure of accountability is needed. Current provisions of federal law which required a single state agency need to be enforced. This agency should have the specific responsibility to file a Writ of Mandamus against any government entity in non-compliance with laws. The current system of State IV-D Agencies contracting out services to county clerks of court, county attorneys, county judges, etc makes for a system where no one is really totally responsible and accountable. Children do not understand when they are hungry that the Clerk of Courts is in the process of sending the child support payment to the State IV-D office who will eventually send it to the family. The process of receiving a child support payment after it is paid is currently taking over 60 days in Mississippi. Federal laws should be enacted which required that funds are received by families with-in 7 days or less after payment. Current ten day payment process requirements only apply to income withholding cases.

Guidelines for the amount of child support to be paid is a major step forward for children owed support in the United States. However, since the 1984 Amendments only required that the guidelines be advisory they are not helping families in all states. In Alabama the average child support payment is only $20 per week-1/2 the National average. Alabama judges have elected to have advisory guidelines and unfortunately they are rarely used even though this would end welfare dependency for many families. Federal laws need to make guidelines a rebuttable persumption to ensure routine usage.

The 1984 Amendments provided 90% federal funding for State IV-D Agencies to become automated. Some states have chosen not to participate and others are very slow in participating in automation. Even though the main excuse told to families for months of delays of action on their cases is lack of automation. Federal law should required states to have statewide computer system and to do so within a specific time period. A statewide computer system was recently put in Ohio for the lottery within three months. There is no good reason that it will take 2-3 years for most states to have automation in place.

Location of absent parents continues to be a problem for many families. The Federal Inspector General's Office recommended that IV-D agencies contract with credit agencies to locate absent parents, yet many agencies have not done so. Federal rules allow this to occur. States should be required to develop their own process or enter into contracts to provide this needed service. Since the lack of knowledge of an absent parent's social security number is a problem. States should be required to have laws which list social security numbers on marriage licenses and birth certificates.

The 1984 Amendments require equal services for AFDC families and non-AFDC families. Unfortunately, this has not happened. In New Jersey and New York, AFDC families areprovided with legal representation at court hearings and non-AFDC families are not. IV-D agencies should provide families with legal representation. Otherwise, the non-AFDC families will soon be part of the AFDC fmailies. The can not sufficiently represent themselves in a court hearing against a non-payor who has legal representation. Non-payors who are low income are provided a public defender if facing a jail term. Low income families owed support are not. Families owed support should be allowed to see their IV-D file to ascertain if the agency has taken appropriate action. Currently, some States such as North Dakota say that the IV-D file belongs to the payor. Federal law prohibits disclosure of IRS and Social Security information, but should specifically allow a IV-D client to see the rest of his/her file.

Mandated income withholding for child support upon a 30 day arrearage is outlined in 1984 Amendments. States are reporting that income withholding is only being done on about 25% of the eligible cases.

Problems include: The massive back log of cases, lack of utilization of expedited process, low staff to process the cases, and difficulty obtaining information about the place of employment of the non-payor. Wisconsin and Ohio have enacted mandatory income withholding at the time of divorce, dissolution, or establishment of paternity and Minnesota has established a five county pilot project. Collections due to this process have increased dramatically. Mandatory income withholding has decreased problems with locating non-payors after 30 days deliquency and makes it very clear to parents that obligations to their children are their first priority.

The effects of visitation upon child support have not been clearly established. Studies done in North Carolina show that 13% of parents who fail to support children had a visitation problem. Some states still allow denial of visitation as a reason to not support children. Two wrongs do not make a right! Parents should not be allowed to take food out of their own child's mouth because they are having a dispute with the other parent. Federal law should clearly indicate that visitation interference can not be used as a defense for non-support. Families with visitation problems should be required to take visitation issues to the court separately from child support issues.

Collection of large child support arrearages is a major problem for many families, It could be beneficial to some families if the federal pension law, ERISA, was revised. The anti-alienation cause prevents pensions from being attached for current child support and arrearages. Changes need to be made which allow attachment for child support and alimony before pay out, including after death if the beneficiary receives the pension monies. The same provision in the Retirement Equity Act also needs to be revised.

Another area of concern for many families is enforcement of medical support. Current federal law only requires IV-D agencies to establish medical support orders if insurance is available to the payor. Many families have orders for medical support and payor has insurance and/or the ability to help pay medical bills but he/she will not voluntarily assist. IV-D agencies should be required to seek and enforce these court orders when appropriate. Many families remain dependent on AFDC to ensure medical care for their children. This would not be necessary if medical enforcement was a routine function of the IV-D agency.

Public support for child support enforcement is needed to ensure that funding for the IV-D program remains a priority. The general public is not aware that in 1986 the United States Government spent 13 Billion dollars on the AFDC program and that in that same time period it is estimated that 9 Billion dollars of child support arrearages continued to accumulate. State and local IV-D agencies should be required to publish an annual audit of the number of child support cases, number of cases in which collection were made, number of cases in which orders were established, and the amount of arrearages owed on cases. The public has a right to know if our tax dollars are being wisely spent and to hold the IV-D agency accountable.

Thirteen Million children in the United States are poor. 87% of these children are entitled to child support. Enforcement and establishment of child support orders will end a cycle or poverty for many children. ACES appreciates your concern and efforts for disadvantaged children affected by parents who fail to meet legal and moral child support obligations.

Thank you.

1018 Jefferson Avenue
Suite 204
Toledo, Ohio 43624

ASSOCIATION FOR CHILDREN FOR ENFORCEMENT OF SUPPORT, INC. • 419-242-6129

CHILD SUPPORT FACT SHEET

Less than 50% of the families in the United States owed child support receive full payments.

There are 8.8 million single female head of households in the United States. Only 4.4 million have court orders for child support. The majority of these families need paternity established to obtain a court order for support. Out-of-wedlock births in the United States have increased 377% since 1970.

Over $9 billion is owed to children in the United States due to non-support of court ordered child support.

87% of the families in the United States subsisting on government benefits are owed child support.

A Standford University study showed that fathers who earn $50,000 compared with fathers who earn $10,000 are just as unlikely to meet child support obligations.

The average child support payment in the United State is $2,400 per year no matter if two children or five children are involved.

28% of parents ordered to pay child support never make a payment.

WHAT CAN BE DONE TO HELP THE CHILDREN?

The 1984 Child Support Amendments have provided new enforcement tools for IV-D Child Support Agencies. But more needs to be done!

1. State IV-D agencies should be required to report non-payors who are $1000 behind in payments to consumer credit agencies.
2. IRS offset program needs improvements which "put families first" owed support. Currently, the IRS offset program first collects back taxes, second collects student loans, third collects for AFDC, and fourth collects for families owed support.
3. Federal penalties against non-compliant states should be aimed a federal re-imbursement and incentives rather than cutting AFDC funds to states. The current system hurts mothers and children who rely on AFDC. Families no longer receiving AFDC should benefit from collection of back support before the government received re-imbursement.
4. AFDC families who receive the first $50 of support collected each month should be protected from these payments causing decreases in any other kind government benefits received.
5. States should be required to spend federal funds received for the IV-D only on child support. IV-D agencies should be required to have adequate staffing levels based on case load.
6. State IV-D agencies need to be streamlined into a single state and local agency. A clear line of responsibility and accountability needs to be establish.
7. Guidelines for the amount of support paid should be routinely used and be based on equal living standards. States should be required to enact guidelines as a rebuttable persumption.
8. Audits of the IV-D program should be done annually and the results publicly reported. This should include number of cases, number of cases in which a collection was made, number of cases in which orders were established, and amount of [illegible]rages owed.
9. States should be required to have a state-wide computer system to track child support cases.
10. Percentage goals should be set for states to establish paternities based on the number of children born each year to never married parents.

(PLEASE TURN OVER)

11. Social Security numbers should be required to be listed on marriage licenses and birth certificates.
12. Families owed support should be ensured of their right to see their IV-D file and be provided with a formal complaint process to resolve disputes with the IV-D agency.
13. Equal service for non-AFDC cases and AFDC cases should include the right to legal representation.
14. Automatic mandatory income withholding laws should be expanded to allow it to occur before an arrearage exists.
15. Federal Pension Law, ERISA, and The Retirement Equality Act need to be revised to include provisions which allow attachment for current and back child support.
16. State IV-D agencies should be required to provide medical support enforcement to families in need. Many families remain dependent on welfare due to lack of affordable medical care for their children.
17. Visitation and child support needs to be clearly separated in the law to ensure that "food is not taken our of a child's mouth" due to parental disputes.
18. State IV-D agencies should be required to take action on application for assistance on local and interstate cases with-in30 days of receipt. This is the same standard used for AFDC.

PREPARED STATEMENT OF JUDY MARTIN, MCKEE, KY

Appalachian Communities for Children, Inc.,
(ACC) is a private tax-exempt grass
roots parents' educational organization
that includes parents of over 1,000 low-income
children in Jackson and Clay counties in
Eastern Kentucky. ACC runs a model adult
education in a rural Appalachian area
that has some of the highest dropout rates in
the country: of adults 25 years and older,
75% have not completed high school in Jackson
County; 72% are high school dropouts in
Clay County. Working with ETCEP,
ACC trains local unemployed mountain

people to be paraprofessional adult education teachers. These teachers work among their own people; classes are small and informal in accessible non-intimidating places (like ACC's three community centers); baby-sitting and transportation are provided. Students are respected as people and encouraged as students.

Last year ACC had both the lowest cost per student of any JTPA adult educa- program in Kentucky and one of the

highest percentages of students earning GED's. This model of rural low-income parents being trained as paraprofessional tutor/teachers working with other low-income parents was recognized by the Ky dept of Adult Education as Outstanding Adult Education Program in the entire South Central region.

The program works because the ACC staff (both supervisors and teachers) are highly motivated and excellent

recruiters! We don't wait for drop-outs to come to us. We go ~~out~~ up the hollows ~~and~~ will the message that different people may have different learning styles, but everybody can learn and everybody is important. Education is important; working on a GED is important! Not only to parents but to their children and their communities. Our students are hard-working; our staff are hard-working; our programs work and are deserving of adequate funding

PREPARED STATEMENT OF MARGARET HARRIS, TYNER, KY

RURAL SUCCESS

TYNER, KY.

Rural Success is a new program that being used this year. Teenagers from age 16 to 18 years old, who has been referred to us by the court, the dropped out of school, been in trouble some way with the system, we take over from there. First, I want to say that we cares, the tutors, we give these kids something that has been denied to them, the belief and the faith that we show these young people, we learn them basic skill, a counselor, or just a friend to talk, if the pressure is to hard on them. Also after the weeks are up, there are completed, we get these kids a job, by talking to employers who will hire them, to give them a chance. But here's the something new in our Program, we not only we are tutors, a friend, but we pay those employers for 20 hrs. a week for 10 weeks to give these kids a chance, like I stated before. We love, care and believe in what we A.C.C. is doing. We are going to keep on doing it.

Thank you.

MARGARET HARRIS.

PREPARED STATEMENT OF BRENDA HORN, MCKEE, KY

MCKEE, KY.

We hear a lot about the gifted and talented and the learning disabled children.

What about our other children? The normal, average children from poor families. These children don't get to go skating, to the zoo or just out for a treat at Pizza Hut, because they can't afford it.

Appalachian Communities for Children Through it's Parents are Partners program, reached these children by taking the parents into the schools and gave the children a art or craft, a small thing that made them feel special and gave them a chance to be proud of their parents, even those that couldn't read and write.

Unfortunately, the friends for this project were cut off, therefore, no more arts in school, no more parents in school, no more pride or gifts for the children.

What happens when a good project is stopped because of lack of funds?

Children lose hope. They think no one cares about them. They feel that they are forgotten and that because they are poor what's the use in trying.

Parents don't go into schools. They never meet and get acquainted with their children's teachers. They can't give their children something to be proud of and since many of them are illiterate, they too, lose hope.

Don't let a good project fall flat because of no funds. Let it prove its self or fail because it couldn't work. Give it a fighting chance before the funds are snatched away.

BRENDA HORN.

PREPARED STATEMENT OF CAROL STECKLER, CATHOLIC COMMUNITY SERVICES, EVERETT, WA

My task is to describe for you a blustery, December day in DesMoines, Washington. It was the usual setting - the basement of a church - the message from the Northwest is the same as across this nation - it is a message of struggling to maintain personal dignity in the face of poverty, pain, and fear. Struggling to maintain dignity where even the telling of the story is a two-edged sword. On one side is the healing that comes with sharing and reaching through, for a moment, to others; and on the other side is the painful exposure of personal, tender memories and experiences. (pause) This presentation is a compilation of some of the words and experiences of the people testifying on that day. [and the power in their stories continues to unfold.]

Betsey spoke for the children with inadequate health care, Sylvie spoke for the children who are homeless and the teenagers without homes who have no family - for the children who go to school by day and spend nights in cars. For those who can't go to school for lack of records. For those who are refused medical care because their parents have no address. For those who have no place to stay and no place to play.

Terry, Marlene, Debra and others spoke for their own children. Children who yearn deeply for a house to call a real home, a yard to play in, to feel safe and secure in, a yard to grow flowers or tomatoes in, children and parents who yearn to be in a house that when they go to sleep it is quiet and when they awake, it is non-threatening.

For these families and many others who testified, the war on poverty is over, and they lost.

Charlotte, over 60, spoke with tears streaming down her cheeks as she said "my son is schizophrenic. He is now 37. When he was younger he got sick and said, 'Mother, I need to go to the doctor'. I did and the doctor said, 'there is nothing wrong, take him home'. So there you are, the problem was never seen and he is still suffering from it and I have to watch him. Something should be done about this." (pause)

So said Charlotte, and those of us who listened, struggled with our own tears. (pause)

Jeannie, Carol, the other parents testifying who have been charged with the responsibilities of nurturing and caring for their children, yet given few or none of the resources they need to do the job, are angry. Skilled, competent people juggling child care, medical care, rent, food, utilities, or worse yet - no rent - no home - no bills or no future.

We need to recognize that rescuing children is not enough. We have the responsibility of addressing the needs of the family. In rescuing children it is too easy to blame parents. I know

about this from my own experience. I too am a single parent - who discovered unexpectedly that I wasn't super woman.

I was working full time. First I would like to say I have none of the barriers that are traditionally accredited to welfare recipients that keep them from being "economically independent". I'm white. I'm articulate. I'm educated. I'm employable. And I know what's happening. I am an advantaged American. I was single, working full time with four children in my household. My youngest child was five years old. It's the perception of this culture that that's the point at which most single parents, or most women who are caregivers of dependents in the household, can go to work. That was the point at which I no longer could work. I had a twelve-year-old child. We do need child care, we need facilities with well paid workers, but that's just one piece of the problem. A twelve-year-old child is not going to go to day care. A twelve-year-old is a whole different arena of development, joy, need and problem. Empty houses are frightening, scary places for parents and for adolescents. We don't know what the implications of latch key children are. At that point I chose -- and the word 'choose' is a brave word -- to go on welfare. I use the word chose to empower myself to feel ok about my life. In truth I had little option. I could not feed and nurture my children. I did not have enough energy or time when I got home at the end of the day. It was not a possibility for me. I am not superwoman, and I don't know any. So I raised my children in poverty. Raising children can be an incredibly isolating experience that is sometimes limited to the four walls of an inadequate dwelling, the closest grocery store -- which may be very high-cost -- and the principal's office of the local school. That's a very limited environment.

We don't go into these environments by choice. I would like to emphasize that every welfare program and every welfare reform proposal that I've heard about in this country in the last ten years has emphasized employment, education and training. I'm not saying that these are not vital, but these are not solutions. As long as women are isolated in low-paying jobs, as long as we pay all caregivers the wages we now pay them, as long as our minimum wage is not a living wage, I don't care how well-trained we are, I don't care how much education we have and I don't care how motivated we are, we can't support our families.

There is a myth that says if we would only motivate ourselves and/or acquire "enough" self-esteem we could get out of poverty and off of welfare -- as if we are inherently weak or lacking in self-esteem. It is a common perception in this culture that there is a fatal flaw in people who are poor. They are either bad, sick, stupid, lazy or crazy. Some of us, after hearing it long enough, agree. Some of us, unfortunately, and painfully agree publicly. We need information and education about the roots and economics of poverty in this nation. We need education on the global economy. We need information about the myth of full employment. We need information about the myth that a minimum wage job or a $7.00 an hour job is going to make a

family economically self-sufficient.

These are some of the myths that we are using in our decision making. We are designing our welfare programs to solve our poverty when these solutions actually exacerbate the problem. Worse yet, they offer false hope to people who need to believe. Economic independence can not begin to happen until there are other entitlements available such as health insurance, child care, and housing to all persons.

Parenting is precious and necessary work - no job description - no pay - unless it is someone else's children and then very little.

We have a caregivers crisis in this country and our children are the victims. We must examine our beliefs about welfare, work and poverty. Please help us reclaim our responsibilities as the shareholders and stewards of this government for our children and our families.

Carol Steckler
Catholic Community Services
1410 Broadway
Everett, Wa. 98201

PREPARED STATEMENT OF MARGARITA ROMO, DIRECTOR, FARMWORKERS SELF-HELP INC., DADE CITY, FL

Re: Children In Poverty, that this become record to this hearing.

Under the New Immigration Bill every person must qualify as an individual and not as a family therefore I would plead for the children of the new documented farmworker Community that do not qualify not only are they hungry, because of the low wages the family makes, but also because of the poor housing, and poor sanitation at work conditions, the low esteem and then finally and foremost the fear of separation of family.

DADE COUNTY, FL., *February 25, 1988.*

May we ever be mindful of the sin of neglect in not protecting all children.
Thank you.

MARGARITA ROMO,
Founder and director of Farmworkers Self Help Inc.

PREPARED STATEMENT OF MARGARITA ROMO, DIRECTOR, FARMWORKERS SELF-HELP INC., DADE CITY, FL

The child who is born into a farmworker family leads a difficult life in an environment (physical and psychological) that is more like the Third World than the United States. Because of culture (ethnic and farmworker) and circumstances, the child grows up with low self-esteem and no hope for a better future. They also do not know where their roots are - for many, their parents came from Mexico and have joined the migrant farmworker stream to try to find work so the family can survive.

So they are the children of the fields - children of the highways - children of nowhere and everywhere, going where?

CONCEPTION

I was conceived, not necessarily because my parents wanted me but because of our culture and religion not approving of birth control or because my mother could not get her birth control pills while she was migrating up north or because my macho father wanted my mother pregnant. I already had 2 brothers and a sister.

PREGNANCY

My mother did not know she was pregnant for several months. When she thought she was, it was hard for her to find a clinic where she could get a pregnancy test since we were traveling. Then she couldn't get in for prenatal care because there was a waiting list. Then she moved, and again was put on the waiting list at the next clinic. So she also could not get WIC so that she could have more nutritious foods so that I could develop better. My mother worked in the fields until she was 8 months pregnant because the family needed the money and there wasn't much work and the pay was low.

BIRTH

When it was time for my entry into the world, we were back home in Florida. But since my mother had not been able to get into the prenatal program at the clinic, she had to go to the emergency room and hope for the best. The staff at the hospital was not happy - my mother had not had prenatal care and she did not have money or insurance to pay for the hospital stay. They did not treat her very nicely. When I was born, I was premature and small. I had jaundice, so they kept me in the hospital after my mother was discharged. The staff knew that my family could not afford the expensive care, so they wanted to let me out as soon as possible. So I was born into a world that didn't want me - my parents couldn't afford another child and the hospital couldn't afford my care.

6-WEEKS OLD

I am now old enough to go to the Migrant Head Start program, but there are no vacancies. So I have to go to the fields with my parents. Sometimes I stay at home if my 6-year-old sister is home to take care of me. My mother had to go back to work soon after she came home from the hospital because the family needed the money to pay for food and housing. I was 3 months old when we migrated to Ohio and then Michigan. That was a long trip for me and it was hard for my mother.

PRESCHOOL

I finally started going to Head Start when I was 1½ years old. But I went only for 3 months before we had to start moving again. There was no Head Start of Day Care for me, so I had to go to the fields. Sometimes I stayed in the camp and someone's grandmother looked after me, but she was too busy with other children and housework to care much for me.

In the Migrant Head Start program in Dade City, Florida, there are 47 children, only 15 are farmworker children. They have a waiting list of 20. More than half of the total capacity is frozen due to funding.

In the fields it's hot and no shade and dirty and pesticides and flies and mosquitoes and little if any water. Some of my little friends were injured, and there wasn't anyway to help them in the fields, so their wounds got infected. One little girl died from too much heat and not enough water.

One of my friends ssho was 5 years old died because her family did not have medical insurance and no one wanted to treat her without payment; she was left in the hall of a hospital for 5 hours. Children who die are often buried near where they happen to be - in Michigan or North Carolina or New York - places far from home and where the family may never go again. No one else notices, but the pain remains in the mother's and father's hearts. Farmworker children have paid a great price in this great and rich country.

SCHOOL AGE

I was glad when I turned 5 because then I could go to school, like my brothers and sister, who were 9, 8 and 6. I liked school because I was with other children all day and I was learning things. But some of the children and some of the teachers did not treat me very well: they said (or thought) that I was only a picker's child, that I was dirty, and I was stupid: that I dressed funny, that I didn't speak English well. Because we were there only a few months, some of the teachers did not take time with us. Some years I was lucky and we were in areas where there were Migrant Education summer school programs. I liked that because they tried to help us learn and they took us on interesting trips. But by the time I was 10 years old, I was still in 3rd grade, and I didn't pass that year. It was hard to be the oldest in the class, especially when a lot of the children did not like me anyway.

My parents made me work in the fields sometimes, especially when the work was slow so they needed more people to work to make ends meet. Sometimes the only time I went to school was when it was raining. Sometimes I had to stay home and take care of my younger brother and sister.

The peer pressure is great - how can we compete with modern clothes that we cannot afford; we constantly feel culture shock - between home and school, past and present.

When I come home from school, sometimes my mother is there if she is not working in the fields; but usually I get home before she does. When she comes home with other family members, they are all dirty and smelly and tired. And we have only one bathroom and a small water heater, so it takes a long time for everyone to get cleaned up, and half of them get only cold water! Then my mother cooks and serves the meal (we have to eat in shifts because we

don't have enough chairs or dishes, especially when my cousin's family is living with us) and cleane up. By then it is 8 or 9 pm andmyhmother is exhausted and goes to bed. Only to have to get up at 4 am to make lunches to take to the fields and to get us ready for school. I hope I don't have to live like that when I grow up!

ADOLESCENCE

Now I never get to go to school. I am strong enough that my father says I need to work in the fields to help pay for our living expenses. He says that I cost them money, so I need to make money to help out. They don't realize that if I stayed in school and got my diploma, I could help them better later. And some of the high schools have some work-study programs where I could be earning money and learning a job at the same time.

I also have to help around the house a lot -leaning, cooking, taking care of the younger children. I don't have time to spend with my friends. I only see them at the store when we go shopping, if I'm lucky, or at church on Sunday, if we get to go. My father doesn't like to go to church and my mother doesn't know how to drive.

My parents depend on me too much. Since my parents don't speak English, they expect me to help them with translating. I don't like to do that because I am too young to understand what they are talking about a lot of times, like at the clinic or the the police, and then I get blamed if something goes wrong because I didn't translate well.

My father is very hard on us; he doesn't seem to remember or understand what it means to be a child. He expects so much of us and gives us so much responsibility. And my mother is so submissive because that is our culture. So we are open to all sorts of abuse, and there is no one to hear our pleas. My sisters and brothers agree with me and we talk from time to time, but we have so little privacy, and we don't know what we can do. We want to love our parents, but it is difficult sometimes when we want to do what other children our age are doing, and what we see on television that American children do. Our parents rob us of our childhood, adn we will never have it again. I know that they were raised in Mexico, where things were much harder than here, but why don't they understand - why don't they want us to have a better life than they did?

Some of my friends' fathers spend a lot of money on beer and are drunk a lot. I guess that is to help them survive the suffering. But it hurts the family - it takes money they need and many times the father beats the children and his wife. That is not a good life.

Now I am 16 and I want to learn to drive so I can have some independence. But my father won't let me. He says it's not necessary. My older brothers can drive and that's enough. I also want to date, but my parents won't let me go out alone - they don't trust me - why? And they must approve of the guys I want to go out with; but they are so old-fashioned and will let me go out with only guys of families they know; and I don't like those guys.

I also would like to work at a job, like at McDonalds or K-Mart, so I can earn money and work inside and get to know other people. But my father makes me work in the fields. He says the money is better there. But he doesn't understand that steady income is better than some good money from time to time. This makes me very discouraged about any hopes and dreams I have about my future. I don't want to end up like my mother!

But the only way out seems to be marriage. Maybe that is a step up. Maybe my husband won't be like my father. Maybe I should go ahead and marry Jose - he's not too bad looking and he is nicer than the other guys my parents would approve of. But Jose has been a farmworker all his life and only finished 5th grade. But he says that he doesn't mind if I don't work in the fields, if I want to go to school or get another job. But will he really let me? He won't be jealous? He won't be traditional? Or will the cycle just continue - my husband replacing my father. Will he make me do what he wants me to or will I have a chance?

So I got married when I was 17, and moved in with his family. I found that his parents are worse than my parents, and especially to me as a daughter-in-law. I became pregnant only 2 months after we got married. What's going to happen to me?!?!

"HOME SWEET HOME"

We lived in all different kinds of housing as I was growing up. Sometimes we were so crowded that our family had only one room and we had to share a bathroom with 10 other families. It was in another building and it was dirty and smelly and didn't

have any shower curtains for privacy. Some places we have lived have been made out of cinderblocks, but the roof was tin and there was only one window; so it ws very hot. Also somtimes we had to share a kitchen with other families, or have a small hotplate in our room, but no water. We had to share because the rent was so high or there was no place else to live or the crewleader made us. Some of the housing, especially when I was little, was so dilapidated that it was dangerous. I kept getting hurt. And the flies! I was sick a lot too.

In some places, there is public housing for farmworkers, but it is hard to get into, especially if you're migrants. In Dade City, Florida, there are 102 units in the 'farmworker village' but only 39 units house farmworker families. And since they say there are not enough farmworkers to fill the housing, they are going to turn it over for general public housing. They did

Also, in areas where there are migrant camps, the health department is supposed to make inspections to make sure they meet certain standards, which aren't very good anyway. But, like in Dade City, the health department says there aren't any camps so they don't do inspections. But I know that some of my friends live in camps.

FUTURE

Where is the hope for these children of the field, whose families suffer so much so that America can be well-fed. How can they break out of the cycle of poverty, of fear, of low self-esteem? How can they reach their potential, fulfil their dreams, reach goals beyond the clutches of the farmworker lifestyle? How can their parents be made to understand that there is a better world for their children that does exist and can be realized, that will enrich the family, not threaten it? How can we get the American people to see farmworker children as people who deserve the best, who need extra help and encouragement, who can be real assets to the community if given the opportunity?

The future for farmworker children lies in answers to these questions. They need to be given the same love and care and chances that other children in this great "land of opportunity" have.

PREPARED STATEMENT OF JOANNE DRAKE, BOSTON, MA

My name is Joanne Drake and I am here to testify as to what living on welfare is really like. I have two children ages 17½ and 9. Welfare means living in poverty and having to ask for hand outs from friends, neighbors, relatives, churches, and the state. You have no dignity or self-pride when you always have to be asking somebody for something. The effect of poverty has a profound impact on all involved.

The money I receive $255.00 every two weeks is just not enough to cover the cost of living in our society today. The cost of rent alone takes up most if not all of our

money. There is nothing left for utilities, food, clothing, and transportation to and from schools, doctors, and the news ending agencies one must go to in order to receive these benefits.

My biggest problem is how to bring up my children with dignity. How can I teach them that we live in the richest country in the world when they are hungry or cold? They constantly see their mother under stress wondering where she is going to get enough money to pay the rent or to feed them. The state of Mass. gives us a clothing allowance of $150.00 per year per child. The money is given to cloth the mother. When in the world can one outfit a child for the

year on a $150.00? Children are constantly growing so of course they need larger clothes and shoes. How can the mother do anything to improve the quality of life for her family when she always has these things to worry about?

Poverty only means not enough money to pay for the necessities of life; so of course the solution is more money. If the money problem was taken care of the mother then would be able to concentrate on improving things for her family. Can you imagine not only how I feel, but my children when I have to choose which child will get the pair of boots in the winter, or who will get a warm coat to wear.

I myself am now enrolled in U. Mass Boston, downtown campus C.E.C.S. to further my education. It is a constant struggle to get enough financial aid to be able to stay in school to get my degree. I feel that education is the only way out of poverty. I like most mothers want more for my children and a head winning job is the only way I will ever be able to do anything for them.

Now a new problem has just knocked at my door. I live in a housing project in Somerville, Ma. and felt secure knowing that at least I would have a roof over our heads. The city has decided to modernize our apartments. This means that families have to move

in order to modernize. Where are these families to stay while they are doing this? This means more women and children being homeless. The need for more, not less affordable housing, should be a major concern for all Americans. Children are the future of this country. It is a right not privledge for everyone in this country to have housing, food, clothes, and the basics of life. To help our country be strong in the years to come we need children who are educated and fed, not dying of malnutrition and illeriate.

PREPARED STATEMENT OF EDNA FAIRBANKS WILLIAMS, LOW INCOME ADVOCACY COUNCIL, UNITED CHURCH OF CHRIST DEPT. OF MISSION, FAIRHAVEN, VT

I come to Washington hoping to talk to you but will not have the chance.

I work as a volunteer with low income families in the state of Vermont.

We have the problem of school drop outs as everywhere else does and some of them are seniors who drop out because they are taken off of the AFDC welfare rolls when they are eighteen there is no money for the expenses of graduation and they even have to eat the food from their brothers & sisters mouths.

problem →

Without an education it is very hard to get a job that supports a family so you are defeating yourselves and programming them for failure in the future.

reasons →

So many children come into this catagory for no reason that they can change.

If their birth day comes after January 1ST they have to wait for the next year to begin school. If they lose one year for sickness in grade school they fall in this catagory.

My son caught viral hepatitas and lost a year. He was a "carrier" who worked in the hot lunch program that gave it to him so it was not his fault that he missed school.

Then there is the problem of developmental disabilities.

I am working with a young man now who is a sophomore in high school. He has cerebral palsy. He doesn't receive SSI as he is not deemed "disadvanged" to receive it.

He writes half his paper with one hand & with other hand & foot has gross motor skills beyond half way point. He was in a special school when was little put into regular school at a later date.

He wants to be a minister. I can see him earning his own living as a small church in our state but he will never have the chance. He will soon be eighteen his mother is on welfare and he will be taken off the roles. I do not know what will happen to them.

He has prisms in his glasses and his eyes track every and down & it is hard for him to read. This was not discovered when he was small so had the tag of "retarded" hung on him. No fault of his own. The stupid school system

did not take time to do a complete analysis of his health & problems.

We discovered a dislexic child in Poultney High School. He was disruptive in class etc. When he was analyzed he had dislexia but he had never been through the tests before.

Principal Clark from New Jersey says "Get rid of them" but to where. They are not dogs to be shot when we have so many.

We have a Special Ed. child in our school system who is very bright but very crippled She has had operations on her head for a shunt for fluid & operations on her back and walks on crutches. She is in regular school system but she has another back operation which she will have to, to correct the "hump" in her back she might lose a year of school so again she will be retarded before completing her best potential.

We need money put into children not bombs

Edna Fairbanks Wellons
Sec V Arthrogryposis Advocacy Council
Box 3050 Fairbanks VT 05743

84-794 0 - 88 - 8

PREPARED STATEMENT OF LINDA J. COREY, POULTNEY, VT

To Whom It May Concern:

I am here with the Who Speaks for the Children group from the UCC of the State of Vermont. I would like to have you read my concerns and consider them when making your decisions.

(1) Education, Special Education for children that need it is a necessity for our children to be able to maintain their human dignity as a person and to be able to survive in today's world. If these children who are "developmentally delayed" or slow as we term them don't have the education they need they become lost and unhappy and in general give up and drop out of the education system. Since they are uneducated they then can't get a decent job to support themselves, let alone a family and end up on the street or else if this happens early in life they may be deemed as we have for years a "Mentally Retarded Child" and end up within an institution to receive their food, shelter and necessary care but lose their privileges as a human as Burton Blatt pointed out to us in "Christmas in Purgatory". Education isn't necessarily the formal book learning but also education within the system itself to survive and hold a job. The welfare rolls are high enough lets not add to the problem by cutting education.

(2) Incentive to people who want to better their lives and their children and get off from Welfare. Instead we discourage them by taking away their benefits they need to survive on until they can get on their feet so they end up on the system.

How about us who are in the cracks, an example is me but I pride myself as a fighter and that's why I'm involved here.

I am a 37 year old high school graduate who lost her husband in an accident three years ago. I have a son 11 who is a slow learner and needs special education. The school system I resided in didn't provide special education so I moved into a community that did, he is doing well and is here with me today. I decided to look at my future, I had had formal training or job experience but felt it isn't enough to survive on so I started college. I receive a Pell grant which I hear you people are thinking about taxing, if this happens you again are discouraging education. If you are on a limited education you can't afford to pay that's why you get the loan and so you can't afford taxes besides you have a student loan to repay.

Also since I get social security instead of welfare I am not qualified for any of the state incentive programs so I can't get any help there. My son's portion of the check is figured in with mine so we have too much to qualify for anything. We are below poverty level. I am a fighter though and out to survive, so I take 19 credits per semester at Green Mountain College in Poultney, Vermont so I can get out as soon as I can, 19 is the most they allow anyone to carry. I am majoring in Therapeutic Recreation with a Gerontology minor or recreation for therapy on the elderly. I also do twelve hours of work study per week, keep a home, be a full time two parent household since it's only me and my "spare" time fit in sleep. The work is paying off. Oh by the way in case you may think I am a goof off as many of your college people who receive grants are today I would also like you to know I made the Dean's List and am 12th in my class this semester. Well that's what I'm doing so how about a little support from you and consider all programs before cutting.

Remember those 12 years of education can make a difference between welfare for life and a formal self supporting job to some.

LINDA J. COREY.

PREPARED STATEMENT OF MATTIE M. SMITH, LEADER OF THE HOUSE CHILDREN, YOUTH AND FAMILY COMMITTEE, ATLANTA, GA

Mrs. Mattie M. Smith
1402 Sargent Ave. S. E.
Atlanta, Ga. 30316
Home (404) 624-4153
Pastor (404) 522-6776
Our Lady of Lourdes Catholic Church
25 Bkwd. N. E. Atlanta Ga. 31317
Social Action - Chairperson

I, Mattie M. Smith is in recorded of inquiring the conditions of the children, families, Welfare, Housing, and the 3 or 4 hr. for wages but the need to be raised to $5.00 hr because the cost of living is high. Please listen and take action. This is why you were elected to help us. So Please take this in consideration and we need this help now.

Thank you

PREPARED STATEMENT OF BETTY BROWN, ARLINGTON, MA

My name is Betty Brown and I am a A.F.D.C recipient who is in her fourth year of college. I attend C.P.C.S. U. MASS BOSTON

Not all people who live a Welfare Chose to be on it Because of a serious family problem I was told by the Dept. of Social Services that I was to go on Welfare until my two younger daughters handled some serious emotional problems from being molested.

One week I was a home owner, business owner and with a home, husband and the picket fence. The next week I had lost everything but the house. I was sent to apply for welfare and felt like I had been through an interrogation.

My children had to give up everything and learn a whole new life style. They had to also learn a whole new diet. Living in a small town this was very embarrassing.

My home was in a shambles leaky roof, no ceilings and shit work on the walls.

I lived the first winter without sewerage, water or electricity. I was

left with all the bills and no money and no credit of my own and life was bad. No one wanted to hear pay later they wanted all or nothing and nothing was what we had. I called agency after agency and was told over today was out of their jurisdiction

Four years ago I decided to go to college through the Choices programs and who told great things. First as a work study student I lost some of my food stamps and then as a Deans list scholarship winner I then lost them all. This included summer. If I borrowed money then my money went down.

I watched young women being penalized for being poor, they had babies and because they wanted to better themselves they lost their food stamps and in a lot of instances had to quit school and take jobs through the E.T. program to keep a roof over their heads.

I really feel its to bad that people who want to better themselves get punished instead of rewarded for their effort.

Prepared Statement of Peg Tennant, Des Moines, IA

CHILDREN IN POVERTY HEARINGS
1st U.M.C.; Des Moines, Iowa 11/18/87

My name is Peg Tennant. Before I get directly to the point, I think it would be helpful to have some personal history as a framework for my remarks. I am college-educated, a life-long United Methodist, active in all levels of church work - including chairing the Human Welfare Division of our Annual Conference Board of Church and Society since 1984. I have been a preschool teacher, I am a former clergy spouse, and currently am on staff at Hawthorn Hill, a multi-ministry human services center affliated with the General Board of Global Ministries of the United Methodist Church. In all these capacities, I have had ample opportunity to see and hear of the effects of poverty on women and children. I have found that you cannot really separate the two - women and children - because when women are poor, their children are poor. I became very knowledgeable of statistics, theories, structures, etc. - all the "known facts" about poverty as it affects women and children.

However, from June 1985 through June 1987 - I learned about poverty and its effect on children in a very different and deeply personal way. My spouse left his job, his family, and the state, and I became one of those numbers in the statistics that I knew so well. I joined the catagory of working poor, single parents trying to survive and raise a child at the same time.

During this time I discovered some very disturbing things - I found out that despite common rhetoric and popular press to the contrary, our United States society does <u>not</u> really care about children. I ran full force into deeply held prejudice against children, against women, against single parents. I went for help to the Department of Human Services and encountered persons who were inhumane, uncaring, rude, and at times even outright mean.

For example - at my initial intake interview I was asked "Can't you keep that child quiet?" "That child" was five months old at the time. I had come in punctually for this interview and was kept waiting for 45 minutes before I even saw anyone. My son is a very scheduled little person, particularly in regards to feeding and sleeping - this wait, plus the length of time for the actual interview, seriously interrupted this schedule. This could have been dealt with fairly easily had the atmosphere been the least bit supportive,

however, on top of the implication that my child was a nuisance that should have been left at home (no one told me with whom) - I was being treated very insensitively. It is important to know that I had exhausted my savings looking for work, had finally found a minimum-wage position in a day care center (caring for other poor womens' children), found my own childcare provider which took $10.00 a day out of my gross daily wages of $26.80, and had run out of any other options with which to ensure survival for myself and my child. In desperation, I turned to public assistance and was beaten down emotionally, had my situation trivialized at every agency I dealt with, and had my motives and integrity questioned at every turn. The realities and parameters of my life counted for nothing - I clearly told worker after worker my job hours and when I could be available for appointments only to receive notices of meetings that had been scheduled in the middle of my work day - and time off for appointments meant not getting paid for that time. It was impossible to remain responsible to my child and to the system at the same time. I waded through paperwork that was not only tedious, repetative, and personally invasive, but also obscurely worded to the point of illegibility. I remember wondering how anyone ever filled this stuff out. I was having some difficulty and I was, at the time, fairly fluent in bureaucratic language. What was happening to those persons whose literacy skills were not as informed as mine?

My committment to responsible parenting was not only not supported - it was not even recognized. My family's attempts to enrich our environment with such things as books and music and even nice clothing were greeted with "How did you afford this? Can't they just send you money - if they do, you have to report it you know." My public assistance included Aid for Dependent Children, Title XIX medical benefits, Food Stamps, and Public Housing. In regards to public housing - anyone who thinks that this is helpful should move into and live for awhile in these "units." They are of substandard construction, often built in such a way as to be unhealthy as well as potentially quite dangerous, and are grouped together in a little "project" that not even public service personnel such as ambulances, police, and fire departments could find without directions. And even when they did get directions, such helping persons took incredible lengths of time to respond. I can remember calling the police about a "domestic quarrel" that could be heard throughout the neighborhood; breaking glass, screaming children beaten into silence, raised voices, and the sounds of physical violence. One hour and 20 minutes later, the squad car finally arrived. Of course by this time, the violence had run its course and the violent person had roared away in his car. The police car simply circled the drive and left, despite having been given the address at which the dispute was occuring.

But the "helping delivery systems" are not the only source of pain and concern. Society in general labels persons receiving public assistance and in that lableling finds the rationale for treating them inhumanely. Grocery store clerks feel free to be rude and abusive, medical personnel are insensitive and judgemental, and society in general feels free to make disparaging remarks in your hearing about your (supposed) easy life and loose morals. I will never forget a specific instance - my son was at this point 7 months old and was, for the first time, seriously ill with an ear infection. My childcare provider had called me at work because his temperature was 104°F and he was totally limp and unresponsive. After a slight struggle to get permission to leave work, I race to pick up my son and take him to our doctor. Once there, diagnosed, and somewhat calmer albeit still worried, I took my son, the doctor's prescription form, and my Title XIX card to the pharmacy in the medical building. I gave the prescription form to the counter clerk and then my Title XIX card. She had been very pleasant up to that point but as soon as she saw the medical card, the smile dropped from her face, the pleasant tone of voice was replace with harshness, and my questions about the medication were at first ignored, and when repeated, were only dealt with in part and then grudgingly. Yet for the next person in line, with a 3rd party insurance card, the smile was back and so was the helpful attitude.

But, for me, the worst cut of all came from the church. Doors that had previously been open were closed - and often locked; concerns about childcare that had been taken seriously and caringly before were turned aside. The very persons I had counted on for support and advocacy suddenly didn't want to know who I was or what was happening in my life. Because I suddenly didn't have the discretionary income for offerings and activities, my presence was no longer wanted - to the point of only the most superficial tolerance at times. It was clearly felt, even if never directly said, that church was for single, childless adults, or for married couples with children - if you weren't in either of those catagories, you weren't welcomed - put up with perhaps, but not welcomed. And the doors were not closed to me alone; I looked around and saw that very few churches were open to those in "reduced circumstances." Existing side by side with agencies that were involved with the working poor, I saw churches with locked doors, beefy security systems, and no outreach or support for people in great need of care, love, and understanding.

One of the options frequently mentioned when an overhaul of the publice assistance system is addressed is childcare. YES, we do need a regulated system of quality childcare in this country - for everyone to participate in IF THEY SO CHOOSE. However, why is it that persons receiving public assistance suddenly have no right of self-determination for themselves of for their families? A wise friend told me early on that I needed to choose whether to stay home with the most public assistance I could get, or to go to work and try to manage that way. And she warned me that neither choice would be automatically respected - I would have to become my own advocate with whatever energy I had left over from all the other struggles such choices involved. My decisions and philosophy in regards to parenting were not even going to be taken into account, much less asked for. My need for public assistance required that I forfeit my rights to self-decision and self-choice. My dependence upon social services agencies would, in the eyes of those who were to "help" me, place me in the catagory of a child who needed all her decisions made for her, without much input on my part in those decisions. Most child development experts will tell you that even very small children benefit by and are capable of having a part in the decision-making process in regards to their own lives. Why do we as a society feel it best to deny those same considerations to those in need of public assistance to survive?

Some other things I have learned: that what may appear to be totally irresponsible choices in our eyes may be a reaction to myths and the burden they bring. Specifically - clothes and material possessions. When I was supporting my first husband through graduate school, I worked in a pharmacy that had a large number of Human Services recipients as clients. I remember making unkind remarks about these clients - about their cars, their designer-label clothing, etc. "If I was her . . ." Now, let me tell you what happens when you are "her: - you vow to yourself that your child will not look poor and "on welfare" if you can help it; you are constantly reminded that our society judges you on your appearance - and somehow that if your appearance is more "normal" you think that you won't be on the receiving end of so much "attitude" when they see your medical card or your social service i.d. or your welfare check. Sometimes, it is the only affirmation of you as a person of worth - those clothes and the armor they provide. Our society tells you that you are not a success - or even worthwhile - as a parent unless your children have all the latest fads in toys and fashions. No one sees books you get for your child - but they do see they clothes you dress that child in. Is it any wonder that materialism becomes an important goal?

If these hearings do nothing else, I pray that they explode the myths about persons on public assistance. I realize the concern with systems and what is to be done about them but I maintain that you will not effectively change systems until you change attitudes. Until the term "welfare mother" is no longer used to dehumanize, until there are true alternatives available within systems that are responsive to individual choice, until we no longer have to "dress up" to advocate for poor people; we as a society will continue to marginalize and catagorize persons instead of helping them to realize their fullest potenital as human beings and as created children of God. I may be a shade more articulate than the "average" welfare recipient but I am not an anomaly. As Marilyn French puts it in THE WOMEN'S ROOM; "if you want to know where the women on welfare are, ask your divorced male friends." The frightening reality is that that is very true. The myth of the 5th generation welfare freeloader as the main body of persons on public assistance is just that, a myth. I know of no one who would choose to stay on public assistance is there was any other viable, humane, workable option available.

If we as a society are to survive, we must take seriously the concerns raised at these hearings. If our children are to grow up whole and healthy in mind, body, and spirit - we must address and challenge our social service delivery systems. BUT, and it is an important BUT - we must remember that these systems are working with people - people with rights to dignity, respect for both themselves and their choices, and people with ideas, opinions, feelings, and even knowledge that must be listened to. I personally dream of the day when all persons count - just because they are persons. Because of that dream I am here today, because of that dream I will continue to work with, advocate with, and learn with those whom our society pushes aside. I hope you will join us to create a world that is responsive, caring, respective, and whole - a world that is as God intended for it to be, where persons can become whole as God has intended for them as well.

Thank you.

WHO SPEAKS FOR THE CHILDREN?

HEARINGS ON CHILDREN IN POVERTY

HIGHLIGHTS OF WRITTEN TESTIMONIES

CEDAR RAPIDS - NOVEMBER 17, 1987
DES MOINES - NOVEMBER 18, 1987

PREPARED BY THE IOWA INTER-CHURCH AGENCY FOR PEACE AND JUSTICE
3816 - 36 TH STREET -- DES MOINES, IOWA 50310 515/255-5905

Major Sponsors: United Church of Christ
United Methodist Church
Children's Defense Fund

Edited by Betsy Armstrong

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Anne Maitre Iowa Children's & Family Services 1101 Walnut Des Moines, IA 50309 515/288-1981	Foster Care	Iowa pays the lowest foster care rates of all her neighbors in the Midwest. Since 1963 there has only been a 6% increase in foster care payment as opposed to a 17% general inflation rate. The number of children needing foster care is increasing, while the pool of foster parents we have to draw on is decreasing.	Must give priority to reimbursing foster parents adequately and signifying that their job is a most important one, and also reimburse private agencies sufficiently so that they can survive.
Jodi Tomlonovic Family Planning Council of Iowa 3500 - 2nd Ave., #6 Des Moines, IA 50313 515/288-9028	Health Care Family Planning Services	Adolescent pregnancy provides a double hit to children in poverty; to the mother and the baby. A 1983 study by ETR Associates of California assessed a demonstration project established to promote the growth of school-based family life education programs. Findings of the project were that curricula were effective in enhancing self esteem, decision making skills and in increasing parent/child communication; and showed a greater decline in pregnancy rates among participating school districts.	Establishment of two concrete programs for dealing with children in poverty are: human growth and development programs in the schools and the provision of low cost family planning services with accessibility for all.
Joan Mitchell-Nelson Jane Boyd Comm. House 943 14th Ave. SE Cedar Rapids, IA52403 319/366-0431	Child Care/ Homeless	Ninety-two children out of our present enrollment of 98 in our Child Care Food Program qualify for free or reduced meals based on income guidelines set up by the government. 94% of our present enrollment is considered low income. 78% of our parents pay the minimum fee of $10 per month, but even that is a great hardship because of financial problems where a fixed income does not cover basic needs. In addition, there is a great need for low income housing.	Steps need to be taken to educate those who are unaware of these problems, and offer new possibilities to those who are in desperate need.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Diane Rattner St. Luke's Hospital 1026 "A" Ave. NE Cedar Rapids, IA 52402 319/369-7740	Pediatric Health	The major problem with the near poor is the stress and trauma related to maintaining adequate health care for their children when daily confronted with lack of finances. The near poor are not able to take advantage of preventative health care, often resulting in more serious illnesses.	
Joanne Lane Commission on Children, Youth & Families Capitol Annex Des Moines, IA 50319 515/281/3711	Child Day Care	Child day care subsidies have been shown to remove a barrier for low income parents to employment. For FY 88, only 78 counties in Iowa have budgeted for the child care subsidy available through the Social Services Block Grant.	Appropriate supplemental funds to encourage all Iowa counties to provide child day care subsidies through the Social Services Block Grant. Raise the Social Service Grant guidelines for child day care subsidy to 150% of the established federal poverty guidelines. Develop a full-time staff position within the Department of Human Rights to coordinate statewide child day care activities.
Davida Hudspeth Polk County Child Care Resource Center 1200 University Des Moines, IA 50314 515/286-3536	Child Care	Lack of available and affordable child care is a particular crisis for female headed households, since over 1/3 of them are poor, and in minority populations, over 2/3 of them are poor. Approximately 12,780 Polk County children under the age of 10 years are either left home alone or are receiving child care that does not fulfill their needs. There are 47,000 children of working parents in the Polk / Des Moines area who need child care.	Continue to increase public and private participation to improve the affordability of quality child care for families in Iowa.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
David Rust Children's Home of Cedar Rapids 2309 "C" St., SW Cedar Rapids, IA 52404 319/365-9164	Youth in Crisis	Private residential care facilities in the State of Iowa have effectively lost at least 10% of their reimbursement income to inflation over the last five years. The number of children in Iowa is decreasing, while the percentage of children living in poverty is increasing. The reported incidence of child abuse and sexual abuse is also increasing. Budget cuts have had drastic effects on the "working poor" and other economically disadvantaged families and individuals. Older adolescents in the foster care system are aging out of that system and continue to need services.	Services to children and adolescents must increasingly look to communication and cooperative case management between all agencies serving the same individual and family. Public policy which fosters such an approach should be sought. I encourage further legislative attention to permancy planning and "open" adoptions. Investigations for welfare reform need to include the entire delivery system and must address the appropriateness of current utilization of resources.
Debbie Grimm 126 Harbet Ave. NW #1 Cedar Rapids, IA 52405 319/396-3931	Teen Drop-Outs	Lack of quality child care services force teen mothers to drop out of school to take care of their children. My son became eligible for free day care services at Linn County Day Care because he was diagnosed as hyperactive with delays in receptive and expressive language. County and federal monies which provide these services have given me a chance to start over and enroll in school.	There is a great need for more day care centers to enable young mothers to finish their education and have a better start in life. Also, all teens need parent education and counseling as part of a good sex education program.
Patti McKee Catholic Worker Community 1317 8th Street Des Moines, IA 50314 515/243-0765	Homelessness	The 3 homes and 8 P.A.T.C.H. apartments for homeless persons are generally full and people have to be turned away. The Des Moines Coalition for the Homeless ran a shelter from October, 1985 to June, 1986. During that time, 139 family units were provided with shelter - that's a total of 367 people including 135 children and that was only one of the shelters.	Need more low income housing, utility help, higher AFDC payments, attention paid to the deinstitutionalization of the mentally ill, and help to combat the general economic slump caused by the farm crisis.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Sheila Navis Mental Health Assoc. of Iowa, Inc. 1111 9th St., Suite 390 Des Moines, IA 50314 515/284-1343	Mental Health	Many poor children may not have access to health insurance. Teenage pregnancy associated with premature births and low birthweights have shown significant impact on the development of children. Mental health problems can be minimized by reducing certain risk factors such as poverty and teenage parenting.	Coalitions involving teachers, law enforcement officials, clergy, mental health providers and government officials need to ensure that appropriate opportunities, programs and adequate care and treatment are provided.
Cindy Reed St. Luke's Hospital 1026 A Ave. NE Cedar Rapids, IA 52402 319/369-7211	Eating Disorders Health Care	Currently for women and children not covered by comprehensive private insurance, only partial reimbursement for the continuation of services needed for recovery are available. With recent government initiatives, many are excluded from being eligible for government insurance. For those who are, the insurance has not kept pace with the specialization of treatment providers.	Funding for emotional problems, eating disorder programs and prevention is essential. Eligibility requirements and options for treatment providers need to be significantly expanded. Prevention is the key. More funding needs to be made available for research on the impact of prevention.
Joan Hartsuck League of Women Voters 4604 40th Des Moines, IA 50310 515/278-1281	Income Assistance Child Care	Information gathered by the League in 1987 by conducting interviews with elected officials, and public and private service providers shows that children, female headed households and the working poor should receive more income assistance. Women who must support families without help from fathers is a major reason for income inadequacy or dependency.	The League supports a variety of specific programs such as AFDC and childcare legislation. We recognize the state governments will need to supplement federal payment benefits to achieve an adequate level of funding. We oppose funding cutbacks in income assistance programs and support services that severly impact the poor and working poor.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Wendy Bobbitt Catholic Worker Community 1317 - 8th Street Des Moines, IA 50314 515/243-0765	Homelessness	In Iowa last spring, $35 million was cut from programs serving the poor and restored to the rich last month in the form of a tax cut. Our country's general relief fund is grossly underfunded because the assessment funding is only about $1 per year per capita. A poor family can only receive emergency assistance from General Relief once per year; if another emergency arises, they may become homeless.	Policies must be adopted to raise incomes, to subsidize housing and utilities, and to do whatever is necessary to keep families in their own homes.
Jan Strahorn Planned Parenthood P.O. Box 4557 Des Moines,IA 50306 515/280-7000	Health Care	Access to health care is dependent on income level. The poor health of many Americans is due primarily to poverty. Teenage childbearing, for most, means a life prescription of dependence and poverty. More than half of all women on welfare began as a teen mother. Nationally, 1.1 million teenagers became pregnant in 1985. Teen moms are twice as likely to drop out of high school. The children of teen mothers are twice as likely to die in the first year of life, more likely to be premature and have a low birth rate, to suffer from mental retardation and birth defects, more likely to be neglected or abused.	Comprehensive K-12 sexuality education, access to contraceptives, availability of abortion, and services for parenting teens work to prevent the cycle of poor health and poverty.
Patty MacDonnell Kindred Community 1337 6th Ave. Des Moines,IA 50314 515/282-1235	Homelessness	Jobs available to the poor are usually minimum wage jobs. A full time minimum wage job offers 25% less of the buying power than it did in 1980. Many people have to work at a minimum wage job or go on welfare because of the loss of jobs due to advances in technology.	Incentives to get off welfare and improve lives must be instituted. The cuts made by Governor Branstad must be re-instated including $600,000 for a family self-sufficiency program, $350,000 for low income housing, the displaced homemaker program, and $5.7 million in AFDC benefits.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Fra[illegible] Phillips Ru[illegible] Concerns 1[illegible] - 9th Street Des Moines, IA 50309 515/281-7708	Rural Crisis	80 to 90% of calls to Rural Concern since its inception indicate persons with a serious financial situation. The past 18 months over 70% have had legal questions and 2200 have talked about bankruptcy. Calls in 1987 reveal much more anger within the family, and a trend toward calls regarding housing related to the redemption period after foreclosure.	We need to be able to assure people in need that the public and private systems to help them meet basic needs will continue as long as the need is there.
Jan Albright Foundation II, Inc. 1540 Second Ave. SE Cedar Rapids,IA 52403 319/366-8797	Youth In Crisis	Continued demand for services; since the beginning of 1987, we have turned away 143 youths needing temporary shelter. Need for family counseling has doubled for each of the past two years from the 100 families we have traditionally helped.	Programs such as Foundation II are cost effective and need continued support and funding at the federal, state and local levels.
Sarah McDermed YWCA Domestic Violence Program 318 5th St., SE Cedar Rapids,IA 52401 319/363-2093	Domestic Violence	Domestic violence forces women and children into poverty by preventing women from working outside the home, by injuring women and by causing separation and divorce.	More prevention and treatment programs must be developed in Iowa and other states. We need tough laws such as Iowa's Domestic Violence Act, which forces abusers to pay consequences for their crimes.
Diane Quinn Iowa Commission on the Status of Women Lucas State Office Bldg Des Moines, IA 50319 515/281-4461	Child Care	Nearly 60% of mothers with children ages three to five are employed outside the home. Mid-income families pay no more than 10% of their income for child care, the poor often pay 20-40% of their income. 4% of children ages three to six care for themselves while mothers work.	Immediate increase in AFDC payments; a cost of living adjustment for all payment schedules under the AFDC program and provision for periodic adjustments for inflation affordable, accessible, quality child care.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Kate Gilmore Young Women's Resource Center 416 12th Des Moines, IA 50309 515/244-4901	Youth in Crisis	Youth are kicked out of homes with limited options. Nearly each client I see has experienced emotional abuse and many times physical abuse as well. The Child Protective System is operating with giant caseloads. Big gap in sex education.	Priority: reduce caseloads by hiring more child protective workers. Great need for quality sex education programs.
Karon Perlowski, Dir. Governor's Planning Council for Developmental Disabilities Hoover Building Des Moines, IA 50319 515/281-7632	Poor Children with Developmental Disabilities	In the Developmental Disabilities Reauthorization Act, 1987, Congress finds that 1) persons whose disabilities occur during their developmental period (childhood) frequently have severe disabilities which are likely to continue indefinitely, and 2) family and members of the community can plan a central role in enhancing the lives of persons (children) with developmental disabilities, especially when the family is provided with necessary support services.	We urge that recognition of children in poverty who have developmental disabilities be added to the consciousness raising and planning efforts. It is imperative that planning activity in behalf o poor children include, from the beginning and throughout the proce representation of children who hav developmental disabilities.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Peg Tennant United Methodist Church 921 Pleasant Des Moines, IA 50309 515/283-1911	AFDC Food Stamps WIC Personal Story	In June, 1985, I joined the category of working poor, single parents trying to survive and raise a child. During this time I found out that despite common rhetoric and popular press to the contrary, our United States society does not really care about children. I ran into deeply held prejudices, and encountered persons at the Department of Human Services who were inhumane, uncaring, rude and at times outright mean. It is important to know I exhausted my savings looking for work, found a minimum wage job grossing $26.80 per day, of which $10.00 was paid to my childcare provider. I turned to public assistance and was met with problems at every turn. My public assistance included AFDC, Title XIX medical benefits, food stamps and public housing.	I pray that these hearings explode the myths about persons on public assistance. You will not effectively change systems until you change attitudes. Until the term "welfare mother" is no longer used to dehumanize, until there are true alternatives available within systems that are responsive to individual choice, we as a society will continue to marginalize and categorize persons. We need a regulated system of quality childcare.

220

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Maureen Reeves Horsley Upper Des Moines Opportunity, Inc. 905 Lake St., Box 98 Emmetsburg, IA 50536 712/852-3866	Health Care	We have multiple families in rural northwest Iowa that have no medical insurance, no available money to pay medical office visits and yet are not poor enough to qualify for Title XIX beneffts. They can't afford preventative, regular well child check-ups. We were initially informed that a referral rate from our child health clinics of approximately 15% was average. However, we discovered that approximately 40% of our clients were being referred and that well over 90% of those were being treated by the physicians they were referred to. We concluded that our clients were high risk and a new population that had not been previously serviced. Multiple problems were discovered that required an increased rate of referral.	New programs should be properly funded so that already existing programs do not have to assume additional responsibilities without funds to procure new staff or employ existing part time staff for additional time. Common intake forms and trust between agency and government programs would expedite the services and time waits for clients. Monies for referrals should be increased, not decreased. Additional funds for preventative services will ultimately save taxpayers monies.
Ralph Rosenberg State Representative 1028 Marston Ames, IA 50010 515/232-7474	Homelessness	1986 legislative interim committee on affordable housing for the homeless heard testimony that Des Moines may have over 1000 homeless; per capita homeless may place Des Moines as high as having the fourth highest homeless rate in the country. Severe cuts in federal housing and job training programs and a lack of resources for community based facilities for the recently deinstitutionalized all contribute to the problem.	Iowans should insist that the state legislature re-fund the Housing Trust Fund and address the issue of affordable utilities; also that the legislature adopt cost effective, prevention of homeless plans. Iowans should insist that Congress take action, to alleviate the problems on a national level.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Peggy Huppert Coalition for Family & Children's Services in Iowa 1111 9th St., #200 Des Moines,IA 50309 515/244-0074	Foster Care	The demand for foster care has increased since 1983 from 3,000 to a high of 3,856 in June 1987. In FY 87, Iowa spent $5.4 million of state foster care funds for an average monthly population of 244 children placed out of state. Additionally, $2.6 million in education and medical funds were also spent, for a total of $8 million flowing out of state for care that could be provided here. The ability of most private, non-profit agencies to deliver high quality, comprehensive services hinges on the reimbursement provided to them by that state for care of children in their custody. The demand for these services is increasing steadily. Low salaries make it hard for private agencies to attract and retain qualified staff.	It is essential that adequate public funds be provided for the care and treatment of all children served by the voluntary, not-for-profit sector -- those who have been sexually abused or exploited, those who have run from family problems, and those whose extreme poverty has put them at risk.
David Ostendorf Prairiefire Rural Action 550 - 11th St. Des Moines,IA 50309 515/244-5671	Rural Poverty	The number of Iowans living on subsistence income doubled between 1979 and 1985. The poverty rate in Iowa soared to 18% in 1985, higher than any other northern state, meaning that roughly 500,000 Iowans were supported by incomes that failed to reach federally designated poverty guidelines. From 1979 to 1983, the number of rural poor not receiving food stamp assistance increased by 32% from 6.67 to 7.51 million persons. Demand at local food bank distribution centers and community meal programs is up. All information indicates that hunger, poverty, and psychological stress are on the rise in Iowa and it greatly effects families and children.	It is time for a fundamental change in national priorities both in the form of more adequately funded and administered social support services and in our nation's federal farm policy.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Constance Berka Advocates in Action 1122 Harrison #4 Cedar Rapids, IA 52405 319/324-0653	Child Care AFDC Food Stamps	Mothers who are working at minimum wage jobs often spend ½ of their income on child care. There is not enough adequate affordable child care. There are no incentives to get off AFDC and food stamps. Once you have a job, your benefits are nothing. Those of us trying to get off the system are penalized.	Make the system less complicated; make child care obtainable and affordable; put more money in JTPA and ITEP; increase AFDC payments; and once employed, allow clients to ease off the system.
Chip Hardesty, Dir. Big Brother/Big Sister 329 10th Ave. SE Cedar Rapids, IA 52403 319/363-8231	Youth in Crisis	60-65% of the children we serve live in homes where the income is at or below the poverty line. Many are victims of sexual, physical and emotional abuse. We provide carefully selected volunteers to work on a one-to-one basis, which results in most of the children growing up to become productive citizens. A cut in revenue sharing funds prevents us from expanding our efforts as service providers.	More funding is needed to provide adequate staff to insure service to all those who now have to be turned away. Efforts must be redoubled by those in financial power, either in government or private industry, to provide the financial support necessary.
Debra Tegler Personal Story 15 Summer Circle NE Cedar Rapids, IA 52402 319/393-5144	Child Care	Day care allows women to become self-supporting. My removal from the welfare system would save the state roughly $8,000 per year. Quality, government subsidized day care is a solution to helping families raise incomes, by allowing people to find jobs or return to school. 66% of mothers are forced to work outside the home by necessity. Our children will pay the price if the government refuses to subsidize day care.	Continued and increased funds for subsidized day care.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Leonard Larsen Lutheran Social Serv. 3616 University Des Moines, IA 50311 515/277-4476	Foster Care AFDC	Since 1969, the number of children in families living below the poverty level has increased by more than 33% in Iowa. The number of these children is increasing, while the total number of children is declining. AFDC payment levels in Iowa have lost 33% in purchasing power in the last decade, and are now only 44% of the federal poverty standard. Iowa's reimbursements to foster parents are well below those of 7 neighboring states.	Increase AFDC payment level to restore 1984-1985 level; extend Medicaid coverage; increase Purchase-of-Service Provider Rates for foster parents. Increase subsidized day care expenditures.
Eloise Cranke United Methodist Church 501 Mill Street Traer, IA 50675 319/478-2827	Youth in Crisis	Children are suffering because of the widespread poverty in our country, and the small rural areas are no longer immune to the problems related to poverty.	Expanded low cost day care in rural as well as urban areas. Adequate health care for all persons. Programs that help people get out of poverty, not programs that penalize people for any small progress they make toward independence.
Sharon Baker CROSS Ministries 24th & Cottage Grove Des Moines, IA 50311 515/279-9998	AFDC Homelessness	The number of families seen has increased from 150 in 1979 to 1390 in 1986. A family of 3 receives $381 each month on AFDC, spends about $280 on rent, $65 on gas, and $20 on electricity, leaving $16 to blow on soap, toilet paper, and at the laundromat. The subsidies on Section 8, Low Rent Housing stock has gone down 60% in the last 9 years, resulting in only 11% of the people in Low Rent Housing being AFDC recipients. Many families are finding themselves homeless.	Great need for subsidized housing, an affordable utility plan, an increase in basic needs grants and employment opportunities.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Shari Cullett The Salvation Army P.O. Box 3903 Davenport, IA 52808 319/324-4808	Homeless	In 1984, 740 individuals spent 5,055 nights in our center. By 1986, 831 individuals spent 6,575 nights and 1987 statistics are showing a continued steady increase. The National Coalition for the Homeless reports: "Families with children are now the fastest growing segment of the nation's homeless population."	Federal government must provide affordable, permanent housing, a coordinated comprehensive delivery system, adequate training and education to make employment possible, and a review of current welfare benefits.
Virginia Irwin, Dir. HACAP, Head Start P.O. Box 789 Cedar Rapids, IA 52406 319/366-7631	Pre-School Day Care	Head Start programs nationally are reaching less than 20% of the eligible population. Research has shown that quality Head Start programs result in improved school and work performance which leads to fewer school drop-outs, fewer teen pregnancies, fewer juvenile deliquents and less child abuse. Educational and economic considerations cannot be ignored.	The state of Iowa should consider co-funding existing quality programs in an effort to expand services to all low-income children and encourage the State Department of Education to work in partnership with existing programs to develop the new four year old program.
Karen Thelin Methodist Hill Children's Center 1001 Pleasant Des Moines, IA 50309 515/288-3251	Child Care	More than 38% of black children and almost 28% of hispanic children are poor. Regardless of race, a child in a female headed household is 5 times more likely to be poor than a child in a male headed or 2 parent family. Coping with a system that refuses to recognize poor families are made up of women and children is a major source of stress on families. There are 262,800 children under 6 living in Iowa - of these, 34,800 live in poverty. 49% of working mothers have children under 6.	Welfare reform is critical. A solution must go beyond reform of the welfare system to address education, economy and the problems faced by the working poor. The government must ensure that meaningful training and jobs are available. The critical component will be pro famil support services, such as child care

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Paul Stanfield Iowa Inter-Church Agency for Peace & Justice 3816 - 36th Street Des Moines, IA 50310 515/255-5905	AFDC Health Care	70,000 children in Iowa are dependent upon AFDC for food, clothing and shelter. Iowa has increased the level of that grant only once in the last 8 years. Since 1984, the state has been using annual increases in the federal share of each grant to reduce the state contribution so it could use the money elsewhere. 100,000 children in low-income families who are not AFDC recipients in Iowa are not covered by any government program for primary care. Their parents have no health insurance, and are unable to afford health care.	Medically Needy programs need to be expanded. Two programs that were cut from the Department of Human Services budget must be fought for: revision of AFDC standards for the self-employed and Iowa participation in the OBRA of 1986 - opportunities for children in poverty level families.
Dennis Bach IA Dept. of Public Health Lucas Bldg. Des Moines, IA 50319 515/281-4913	WIC Program	Results of a national evaluation released last year showed increased birthweights and increased length of gestation related to participation in the WIC program; it also identified a decrease in late fetal deaths. Other studies have suggested increased cognitive development in children and decreases in anemia rates attributed to WIC. But, the WIC program still serves less than one half of the estimated eligible population.	Promote the Food for Life Resolution which calls for gradual increases in WIC appropriations over the next 4 years, until it is possible to serve the entire eligible population The resolution would enable an additional 300,000 participants per month to be served nationally. In Iowa, 39,000 women, infants and children could be served each month, the most ever.
Chris Carman HACAP Box 783 Cedar Rapids, IA 52406 319/366-7631	Child Care	One of the most basic needs among families is the need for high quality, affordable child care. It enables parents to seek employment and participate in job training; to hold jobs and achieve economic self-sufficiency.	Community and state-wide systems must be developed which promote and coordinate quality child care. State standards and monitoring efforts must be increased. Ways must be found to create new funding sources for child care.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Kent Jackson St. Luke's Hospital 1026 A Ave. NE Cedar Rapids, IA 52402 319/369-8356	Youth in Crisis Psychiatric Services	The need for adolescent psychiatric services far exceeds the level available. In 1984, we admitted 148 kids; by 1986 the number had risen to 304. A significant number of kids and families who receive physhiatric services from St. Luke's are impoverished. Our statistics show at least one of every three families are impoverished. In recent years, the teenage suicide rate has increased by several hundred percent. It is often estimated that in excess of 5,000 teenagers commit suicide in America each year. An overwhelming number of suicidal kids are experiencing some type of family problem.	Realistic, fair and equitable reimbursement from federal and state sources needs to be made available immediately. Creative incentives for providers of additional and new services need to be identified and offered. Schools, agencies and hospitals and governmental units need to be encouraged to develop an array of prevention and intervention approaches.
Cynthia Carver Inner City Coop Parish 1548 8th Street Des Moines, IA 50314 515/288-4056	AFDC Food Stamps	Our breakfast club serves over 120 children on their way to school each day; children in families that aren't able to stretch their food stamps to last through the month. A woman trying to get off welfare by working at a minimum wage job, is rewarded by having her food stamps cut!	Increase in AFDC and food stamp allocations to realistically cover needs.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Jeanette Spencer Bidwell-Riverside Ctr. 1203 Hartford Des Moines, IA 50315 515/244-6251	Families in Crisis Health Care Child Care	In 1986, 1,000 families with children requested and received food from our emergency food pantry. From January to October, 1987, 11,045 noon and evening meals were served - 30% were served to children. In 1985, medical staff from a local hospital donated time to examine children in preschool and summer day care, when their parents could not afford the required physicals. During years 1984-86, Bidwell had 19 children enrolled in their child care program and some serious concerns with these children included emotional needs, acting out problems and inappropriate behavior. Families have fallen through the cracks where child care funding is concerned.	Educational programs focusing on child abuse prevention, basic education, and community resources is a need for stressed out families. Families need direct meals, and non-perishable food items to take home.
Lawrence Breheny Catholic Council for Social Concern Box 723 Des Moines, IA 50303 515/244-3761	Youth in Crisis	Many families are torn apart by the pressure generated due to lack of sufficient financial resources. The recent build-up of the military has diverted millions of dollars that could have been used to assist people who are in need. Spouse abuse and child abuse are often the results of economic tension in the family.	Taxes must be revised so that the poor are not paying a disproportionate percentage of their income. Distribution of tax money must be toward services and programs that help people in need.
Rachel Jones Fort Dodge, IA 50501	Personal Story AFDC	AFDC, and food stamps simply are not adequate to meet a family's basic needs - and laundry detergent, cleaning products, clothes, a garbage can, shovel, medicine, etc. People on welfare cannot afford all these things.	Increase in benefits, more advocates for the poor in government.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Sharon Sinclair Graham Alicia Lewis Iowa Children's & Family Services 1101 Walnut Des Moines, IA 50309 515/288-1981	Child Care	Being poor is rarely a choice. Most often it is a cycle passed on from generation to generation. The symptoms are isolation, limited choice, limited basic needs, hopelessness and confusion. Quality child care provides a richness in children's lives that allows for normal personal growth.	Quality child care is essential for children and families of poverty. Children can learn self respect, self esteem, basic education skills and have developmentally appropriate activities in a safe and secure environment.
Corinne Graham Hoingona Girl Scout Co. 10715 Hickman Road Des Moines, IA 50322 515/278-2881	Child Care Teen Dropouts Youth in Crisis	The Girl Scout movement has resources and program activities that specifically address youth in crisis. We emphasize: developing values, deepening self awareness, relating to others and contributing to society. Project Safe Time is a Girl Scout program designed to provide a supervised safe place for children to go after school before parents return from work. Contemporary issues programs, and career exploration activies can help lower the number of teen dropouts.	Additional funding would help target low income groups in local communities Financial assistance for a two to five year start up grant would provide Girl Scout Councils time to design a program, train program staff and implement specialized programs to meet our childrens' urgent needs.
David G. Berger Interfaith Community Services 200 Cherokee Street St. Joseph, MO 64505	Day Care Foster Care Homelessness	Poverty of children knows no geographical bounds. In Missouri, poverty increased 38% between 1979 and 1983. 16.8% of the population of Missouri live in poverty. The number of homeless served by our agency's shelter has steadily increased. There are 2,500 children on a waiting list for subsidized day care slots. Since 1980, reimbursement for subsidized day care has risen only 2%. States have not provided ancillary children's treatment programs in the foster care system. Funds for homelessness are not reaching small cities and rural areas.	Congress needs to mandate by specif legislation, funding set aside for day care. Relief is needed through legislation to improve the plights of children in poverty.

TESTIFIER: Name, Address Organization	Subject of Testimony	Key Data or Facts for Need	Recommendations Made
Carol Alexander Phillips IA Assoc. for the Education of Young Children 1207 E. Franklin Indianola, IA 50125 515/281-7844	Child Care	In Iowa the number of low income dependents has increased during the period 1980-85 ranging from 20-30% by Congressional District. The number of free lunches has increased. Children growing up in poverty are more likely than wealthier peers to lack optimal cognitive and social stimulation, and to experience parental neglect. Wealthier parents are twice as likely to enroll their children in preschool, compared to lower income families. Less than 30% of at risk 3 and 4 year olds were enrolled in preschool programs in 1983. Salaries for teachers and caregivers have been depressed and the trend is toward continued slippage.	High quality, comprehensive early childhood services can dramatically impact young children's lives - reducing the likelihood of dropping out of school or becoming an adolescent parent and increasing the likelihood of long-term economic success.
Cheryl Cramer 37 SE Gray Des Moines, IA 50315 515/244-3390	Foster Care Personal Story	At the age of 17 I became a single head of household welfare recipient. Today, at 32 I am no longer a welfare recipient. I have placed my four children in foster care because of a system that had left me no other options, except to try to survive on a monthly check of $494 and $206 in food stamps. It was not enough. I tried to get an education, but the system began to punish me. In February, 1987 our home was destroyed by fire and I had no option but to place my children in foster care. This system is making it now totally impossible for me to work towards getting my children home.	Changes needed in welfare and foster care systems. They must make it possible for people to succeed on their own, and not be punished for trying to get off the system.

The Way of The Cross Baptist Church

"If any man come after me, let him deny himself and come, take up his cross and follow Me." St. Matthew 16:24

The Late Rev. FERMON TOLBERT
Founding Pastor

Rev. NATHANIEL DUGAR
Pastor

Rev. GEORGE H. MORRELL Jr.
Associate Minister

Deacon HOWARD LEE
Chairman, Deacon Board

Sis. LORETTA ROYAL
Church Clerk

Sis. IDA THOMAS
Appointment Secretary

ORA DUGAR
Secretary

March 4, 1988

March 4 1988

Select Committee on Children Youth
and Families
House Office Building Annex #2
Room 385
2nd & D Streets, S.W.
Washington, DC 20515

TO THE COMMITTEE:

As per your request, here are a list of the churches that support the STEP (Strategies to Elevate People) Foundation:

1. Truro Episcopal Church, Fairfax, VA
2. Little Falls Episcopal Church, Falls Church VA
3. Falls Church Episcopal, Falls Church, VA
4. Columbia Baptist Church, Falls Church, VA
5. Fourth Presbyterian Church, Bethesda, MD
6. Potomac Chapel Church, Alexandria, VA
7. McLean Presbyterian Church, McClean, VA

I hope this is of help to you and thank you for asking me to testify.

Sincerely,

P.S. Enclosed in the STEP Newsletter for your perusal

Nathaniel Dugar
Nathaniel Dugar
Pastor

1402 MERIDIAN PLACE, N.W. • WASHINGTON, D.C. 20010 • (202) 265-0808 — (202) 265-7070